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# **Organising and Sustaining Hegemony:**

**A Gramscian perspective on  
Suharto's New Order Indonesia**

**A thesis submitted in fulfilment of the requirements for the  
Degree of Doctor of Philosophy at the University of Waikato**

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**June 2006**

To re-create something with words is like being alive twice .....

*Under the Tuscan Sun*, Frances Mayes

## *Abstract*

The Suharto New Order was born out of ethnic conflict around religious, ideological and regional/cultural issues that were threatening national chaos. As a pre-requisite to pursuing the socio-political and economic developmental agendas deemed necessary to legitimize their hold on power, the new regime committed the resources of the state behind forging national unity and stability out of potentially antagonistic ethnic and cultural diversity. This study examines how the Suharto New Order sustained the processes that organised the Indonesian nation behind its agendas through an exclusive representation of the state ideology *Pancasila*, as the ideological pillar of socio-political and economic development.

The Italian Marxist, Antonio Gramsci, viewed social politics as an arrangement that inextricably linked pluralism, political participation and ideological supremacy and placed critical emphasis on the methods by which a ruling order deployed ideology and culture to craft mass consensus that would underwrite the moral and intellectual legitimacy of hegemonic rule. The study is original in that it contrasts Gramsci's insights into ideology as a discourse of hegemonic legitimacy, in the context of the Suharto New Order's exclusive representation of *Pancasila* as the ideological pillar of the regime's arrangement of Indonesian life. The study also examines whether the Gramscian model of hegemonic order is robust when employed to explain the Suharto regime's decline and collapse, as well as the prospects for socio-political and economic stability during the post-Suharto transitional phase and the pressures of Islamic socio-political resurgence, which were accompanied by demands for more liberal democratic processes and participation.

Antonio Gramsci provides the analytical framework for the study, and the Suharto New Order the behavioural perspective, with the prime purpose of the research being to test Gramsci's model of hegemonic order and ideological legitimacy against a contemporary context. With Indonesia comprising the world's largest Islamic population, the Suharto New Order's endeavours to construct national consensus and unity around *Pancasila's* secular-nationalist orientation suggest *prima facie* a highly

appropriate perspective in which to test Gramsci's theories. The post-Suharto era of transition, also offers a timely opportunity to test the Italian Marxist's thoughts on crafting national consensus to underwrite a ruling arrangement's ideological legitimacy in the contemporary environment of Islamic socio-political resurgence accompanied by a global spread of secular, liberal democratic ideals.

## ***Acknowledgements***

Words are somewhat inadequate in expressing my gratitude to Dr. Dominic O'Sullivan, who helped me when I had lost my way and started me on a path along which first Fr. Rom steered me, and today Fr. Bruce and St. Anthony's in Waiuku continue as my guide.

My thanks and gratitude goes to my supervisor Dr. Alan Simpson, and my supporters, Drs. Mark Rolls and Ron Smith. All three have come to represent for me ideal teaching academics that I would be proud to emulate. Over the years that he has supervised my work, as well as thoughtful, coherent, guidance, Alan has provided a friendship that has come to be both appreciated and valued. Mark knows how I tend to go my own way, but at a stage when it was sorely needed, provided me with highly appropriate and valuable guidance. While my research area falls well outside Ron's field, his stimulating academic presence in the department, his meticulous attention to detail, and the opportunities he has provided me to share with him his joy of teaching, have proved invaluable as a support.

My thanks go to my family, and in particular Michelle, Damon and Joanne, who have remained my most vocal fans and supporters. I seek no greater reward from my studies, than the knowledge that I have made them all proud.

Finally, my thanks go to Trish Tribe who came into my life when I chose to return to study. In partnership and friendship, Trish has made my life complete. My research would never have been completed without her guidance and academic example, together with her wonderful sense of humour and ceaseless support.

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# Glossary and abbreviations

## 1. *Indonesia*

<i>Abangan</i>	Nominal Muslim.
<i>Adat</i>	Customary law.
<i>Angkatan 66</i>	The Armed forces officer corps generation of 1966.
ABRI	<i>Angkatan Bersenjata Republik Indonesia</i> (Armed Forces of the Republic of Indonesia); in April 1999 the armed forces changed their name to TNI (The Indonesian National Armed Forces.
<i>Alta cultura</i>	High culture.
<i>Azas tunggal</i>	‘Sole base’ unifying principle demanded by the New Order regime pledging <i>Pancasila</i> to be an organisation’s only ideological base.
<i>Benteng</i> program	A 1950s scheme that preferentially allocated import licenses.
<i>Bulog (Badan Urusan Logistik)</i>	The government’s food procurement agency.
<i>Bumiputera</i>	The native peoples.
<i>Cendana</i> politics	Dynastic politics ( <i>Cendana</i> the Suharto family home)
<i>Cocok</i>	Suitability: What is deemed correct and good is that which is <i>cocok</i> to the immediate situation.
<i>Cukong</i>	Sino-Indonesian term commonly used in Indonesia to refer to a wealthy Sino-Indonesian businessman who collaborates with the Indonesian power elites and often in partnership with senior military officers of bureaucrats.
<i>Cultura popolare</i>	Mass culture.

<i>Dakwah</i>	Religious predication; preaching an appeal for a deeper performance of faith among the Muslim community.
<i>Darul Islam</i>	A national built upon the total tenets if a Islamic polity and society.
<i>Dasa negara</i>	The philosophical basis if the Indonesian state ( <i>Pancasila</i> ).
<i>Demokrasi Liberal</i>	A term used to refer to the period 1950-58 in Indonesian political history.
<i>Demkrasi Terimpin</i>	Democracy with leadership.
DPR	<i>Dewan Perwakilan Rakyat</i> (People's Representative Council or Indonesian Parliament).
<i>Dwi fungsi</i>	A <i>Pancasila</i> derivative justifying the Armed Forces' dual security and socio-political functions.
<i>Ekstrem kanan</i>	Fundamentalist Islam viewed as the extreme right.
<i>Ekstrem kiri</i>	Communism viewed as the extreme left.
<i>Forum Demokrasi</i>	Forum Democracy formed by Wahid in 1991 to counter ICMI's implied sectarianism, committed to the secular-nationalist Indonesian state called for in <i>Pancasila</i> .
GOLKAR	<i>Golongan Karya</i> (Functional Groups), the largest political group being that consisting military and civil servants that under the New Order functioned as the government's political vote-getting machine.
<i>Gotong rojong</i>	A traditional reality of village life that suggested mutual assistance and co-operation.
<i>Guanxi</i>	Overseas Chinese.
Guided Democracy	President Sukarno's <i>Demokrasi Terinpin</i> (literally 'Democracy with leadership).

ICMI	( <i>Ikatan Cendekiawan Muslim Indonesia</i> ) Modernist Islamic intellectuals organisation created with Suharto's approval in the early 1990s and chaired by his protégé Joseph Habibie to function as a pressure group giving Muslims a greater say in GOLKAR and hence Indonesian politics.
<i>Jalen tengah</i>	ABRI's 'middle-way' path between deep military involvement in social politics and the Latin American path of military dictatorship.
<i>Karyawan</i>	Military personnel placed in civilian management positions
<i>Kasekten</i>	Power that signifies legitimacy incorporating charisma
<i>Kebijaksanaan</i>	Will or desire.
<i>Kekaryaan</i>	Armed Forces' personnel placed in influential non-military posts.
<i>Keluarga Besar GOLKAR</i>	The GOLKAR family trilogy (GOLKAR alongside ABRI and KORPRI).
<i>Kermurnian</i>	Belief in the purity of a social movement.
<i>Kesejahteraan social</i>	<i>Pancasila</i> 's fifth principle of social justice that implies prosperity through egalitarianism.
<i>Keterbukaan</i>	Political openness encouraged by President Suharto in 1990 and seen as Indonesia's version of the Soviet <i>glasnost</i> .
<i>Kewaspadaan</i>	ABRI doctrinal re-inforcement originally formulated under Armed Forces' chief Benny Moerdani to protect <i>Pancasila</i> by demanding 'heightened vigilance' against subversive groups and ideologies.
<i>Kiai</i>	Muslim religious leaders.
KKN	( <i>Korupsi, Kolusi, Nepotisme</i> ). An anachronism referring to corruption, collusion, and nepotism.

KORPRI	Civil service corps.
<i>Masyumi</i>	The Muslim political party of the early independence years identified with ‘Modernist’ Islam and banned by President Sukarno.
<i>Moko dongam</i>	The annual meeting of the military command’s senior officers.
MPR	<i>Majelis Permusyawaratan Rakyat</i> (People’s Consultative Assembly). Supreme Advisory Council representing the highest organ of state and the body to which the President is responsible under the 1945 Constitution MPR meets every five years to elect the President and vice-President and members of the DPR are also members.
<i>Mufakat</i>	Traditional consensus.
<i>Muhammadiyah</i>	Modernist Muslim educational organisation formed in 1912 to purify and modernise Islam as it was practiced at that time in Indonesia. Contrary to NU the organisation did not turn into a political party. Amien Rais became chairman in 1990.
<i>Musyawarah mafekat</i>	Traditional consultation of respectful consensus building
<i>Nasakom</i>	<i>Nasionalism, Agama, Komunisme</i> –Nationalism, Islam, Communism
NGO	Non-governmental organisation.
NKK ( <i>Normalisasi Kehidupan Kampus</i> )	Normalisation of Campus Life policy.
NU	<i>Nahdlatul Ulama</i> (or Renaissance of Islamic Scholars). Muslim organisation originating in 1926 as a non-political party, became a political party in August 1952, fused with three other Muslim parties in 1973, to form the <i>Partai Persatuan Pembangunan</i> (Development Unity Party), but thereafter functioned as a social organisation to improve the circumstances of



	‘traditionalist’ Muslims. Became a virtual socio-political tool of the eminent Muslim scholar Abdurrahman Wahid.
OPM	<i>Organisasi Papua Merdeka</i> - Free Papua Movement.
P-4	<i>Pedoman, Penghayatan dan Pengamalan Pancasila</i> – Guidance to the Comprehension and Practice of <i>Pancasila</i> .
PAN	<i>Partai Amanat Nasional</i> (National Mandate Party) ... the political party of Amien Rais and associated with the modernist Islamic community and especially with Muhammadiyah.
<i>Pancasila</i>	Five political philosophical principles that constitute the official state ideology of Indonesia originally formulated by Sukarno in 1945. The five principles are belief in one god, national consciousness, humanism, social justice, and democracy and were represented by the Suharto New Order to morally and intellectually underpin their ideological legitimacy.
<i>Parmusi</i>	<i>(Partai Muslimin Indonesia)</i> The political party formed under the Suharto New Order to represent ‘Modernist’ Muslim interests.
<i>Pancasila demokrasi</i>	A <i>Pancasila</i> derivative representing the New Order’s political party system.
PDI	<i>Partai Demokrasi Indonesia</i> (Indonesian Democracy Party). An amalgam of nationalist and Christian parties. One of only two political parties allowed by the New Order. A breakaway faction led by Megawati Sukarnoputra became officially PDI-Perjuangan (PDI-P, <i>Partai Demokrasi Indonesia Perjuangan</i> , PDI -Struggle) after May 1998 and the old PDI continued to exist as a minor political party.
<i>Pembangunan</i>	Economic development.
<i>Pembarua</i>	Renewal and revitalisation of Islamic faith.

<i>Pesantren</i>	Rural Islamic boarding school: Education facility teaching both Islamic and secular subjects.
<i>Peranakan</i>	Ethnic Chinese more integrated into Indonesian society.
PKB	<i>Partai Kebangkitan Bangsa</i> (National Awakening Party). Founded on the initiative of Abdurrahman Wahid in July 1998 after Suharto's fall, drawing heavily for support from the traditionalist Islam of <i>Nahdlatul Ulama</i> .
PKI	<i>Partai Komunis Indonesia</i> (Indonesian Communist Party). Banned after the 1965 coup.
PNI	( <i>Partai Nasional Indonesia</i> ) Indonesian Nationalist Party.
<i>Politika-Islam</i>	Islamic politics.
PPP	<i>Partai Persatuan Pembangunan</i> (Development Unity Party). Muslim-based political party, one of two political parties allowed under the New Order and formed in 1973 as an amalgam of four Islamic parties.
<i>Pribumi</i>	Indigenous Indonesian.
<i>Priyayi</i>	Aristocratic or senior official class of Javanese viewed as the Javanese ruling class.
P4	<i>Pancasila</i> refresher workshops intended to upgrade understanding of the doctrine. Compulsory attendance required by all civil servants.
<i>Reformasi dan demokrasi</i>	Reform and democracy drive led predominantly by students from 1996.
<i>Santri</i>	Pious Muslims.
<i>Sapta Marga</i>	Soldiers' sacred oath.
SARA	An anachronism representing the Indonesian terms for ethnicity, religion, race, and other 'conflictual' groups. Intended to identify those

extremely sensitive issues not to be publicly discussed or politicised.

‘Scriptualists’ and  
‘Accommodationists’

A dichotomy polarising Islamic intellectual stances increasingly relevant socio-politically from the mid-1980s. The former referring to those adherents committed to Islamic scripture towards the extreme of ‘fundamentalism’ and the later assuming a position accommodating the *Pancasila*-ist Indonesian New Order state.

*Shura*

Islamic ‘mutual consultation’.

*Syari’a*

An Arabic word for Islamic law that governs both public and private lives of those living within an Islamic state.

*Tanah Negara*

State owned.

*Ulama*

Muslim theologian/teacher.

*Yayasan*

Charitable foundation and non-profit welfare organisations that attract donations and not liable to tax or auditing.

## 2. *Antonio Gramsci*

*The Gramscian intellectual.*

An ‘interpretive’ category that enabled Gramsci to “analyse social change in terms of the recomposition of society around intellectual divisions of labour specific to different economic classes.”<sup>1</sup>

“Every social group (ie economic class) being born on the original terrain of an essential function in the world of economic production, creates alongside itself, organically, one or more groups of intellectuals who give it homogeneity and awareness of its own function not only in the economic sphere but also in the social and political spheres.”<sup>2</sup> The official function of the intellectual in hegemonic development is to contribute to the agenda-setting discourse of its sponsoring class.

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<sup>1</sup> James Martin *Gramsci’s Political Analysis: A Critical Introduction*, (McMillan, London, 1998) p. 39.

<sup>2</sup> Antonio Gramsci, *Prison Notebooks*, notebook #12, paragraph #1 translated by J. Buttigieg, (Ed.), (Columbia University Press, New York, 1992).

*The organic intellectual.*

Individuals with a direct role in the economic activity of a class (eg economists, military doctrinaires and religious leaders allied to the ruling order) that provide a 'social identity' for their sponsoring class. The closer to the structure (economy) an intellectual is, the more organic is its relationship to a class.<sup>3</sup>

*The traditional intellectual.*

A "pre-existing social category" representing an "historical continuity uninterrupted by even the most complicated and radical changes in social and political forces" (eg ecclesiastics and 'philosophers' within the broader meaning of the term).<sup>4</sup> The historical significance and social identity of the traditional intellectual places potential restraints on the organic order and requires that, for the sake of hegemonic legitimacy, traditional intellectuals be assimilated into the hegemonic order.<sup>5</sup>

*Gramscian hegemony.*

Refers to the function that the dominant group exercises over the entirety of society and its "direct domination" or command expressed in the "state and juridical government."<sup>6</sup> Gramscian hegemony is linked to the notion of popular consent to the domination of certain social groups and classes. The hegemony of a class is derived from the relative balance of *force* and *consent* (from Machiavelli) "protected by [an] armour of coercion".<sup>7</sup>

*The historical bloc.*

A historical-social formation organically linked and articulated through economic and political factors (as the content) and ideologies (the form) from which hegemony grows.<sup>8</sup> The Gramscian concept of hegemony needs to be understood as a class developing through an economic system into a hegemonic order (by implication Marx's historic materialism). The systematic nature of the historic bloc's processes, and the complex power relations that such a development entails, should be viewed as one class dominating other groups in a social system over an historic period.<sup>9</sup> Because it draws attention to the process and development of 'power relations' Gramsci on occasion uses the alternative term 'power bloc' which usefully describes state-class "accommodations and the ideological negotiations" power relations entail over a historical phase.<sup>10</sup>

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<sup>3</sup> Martin (1992) p. 46.

<sup>4</sup> Martin (1992) p. 46.

<sup>5</sup> John Hilley, *Malaysia: Mahathirism, Hegemony and the New Opposition*, (Zed Books, New York, 2001) p. 12.

<sup>6</sup> *Prison Notebooks*, notebook #12, paragraph #1.

<sup>7</sup> *Prison Notebooks*, notebook #6, paragraph # 88.

<sup>8</sup> *Prison Notebooks*, notebook #8, paragraph #182.

<sup>9</sup> Esteve Morera, *Gramsci's Historicism: A Realist interpretation*, (Routledge, London, 1990) p. 190.

<sup>10</sup> A. Showstack Sassoon, *Gramsci's Politics*, (Croom Helm, London, 1980) p. 121.

*Gramsci's direzione*

As used by Gramsci the term translates to leadership that emphasises direction or guidance. *Direzione* covers the various meanings of the word 'direction' in English but is also the normal word for 'leadership' and is usually translated as such in Gramsci's writings. Some writers argue that a better English version would be achieved, without distorting Gramsci's thoughts, by regarding *direzione* and *egemonia* (hegemony) as interchangeable.<sup>11</sup>

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<sup>11</sup> Quinton Hoare and Geoffrey Nowell Smith (Eds. and translators), *Selections from the Prison Notebooks of Antonio Gramsci*, (Lawrence and Wishart, London, 1971), p. 55.

# *Introduction*

## *1. Preface*

I recall my father talking many years ago about the two men he regarded as the greatest of all Italians: Giuseppe Garibaldi, for single-handedly uniting Italy and, my favourite, Antonio Gramsci the Sardinian communist who gave his life fighting for the Italian workers. The stories about the workers' takeover of the Turin works, the fights in the streets with the *Fascisti*, and Gramsci's furtive trips back and forth between Italy and Moscow, constantly trying to evade Mussolini's bullies enthralled me. Years later I came to understand the life and intellectualism of the little Sardinian gobo,<sup>1</sup> the hardship and trials of his young life, his frustrations and disappointments and, finally, his tragic last ten years in Mussolini's damp and cold prisons, suffering extraordinarily difficult conditions of severe neglect and deteriorating health, scribbling his political thoughts into dozens of notebooks until in 1937 he lost his battle with tuberculosis and died.

Researching a Master's dissertation on Indonesia's role in ASEAN's formation and evolution led to a growing fascination with the Suharto New Order power structure and in particular the pervasive role of the state ideology *Pancasila* in Indonesian life.<sup>2</sup> The research also led me unexpectedly back to Gramsci. Reading a recently published work by R. William Liddle on Indonesian political leadership and culture I came upon reference to what Liddle called the "currently popular Gramsci-influenced approach" to cultural and class inequality that argued against class attitude and behaviour as strictly determined by socio-economic position.<sup>3</sup> Following this line of thought led to Roger Simon's introduction to Gramsci's political thought and Gramsci's notions on the relationship between hegemony and ideology.<sup>4</sup> The implication of a Gramsci-influenced approach became clear but equally so was its irrelevance to my work at that stage on Indonesia's role in ASEAN. Gramsci and Indonesia was going to have to be a project for the future.

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<sup>1</sup> *Gobo*: hunchback.

<sup>2</sup> Ross O. Casci, Master's Dissertation, *Is there a long-term role for ASEAN in the aftermath of the Asian economic crisis?*, 28 March 2001.

<sup>3</sup> R. William Liddle, *Leadership and Culture in Indonesian Politics*, (Allen and Unwin, Sydney, 1996), p. 225.

<sup>4</sup> Roger Simon, *Gramsci's Political Thought: An Introduction*, (Lawrence and Wishart, London, 1991).

As a powerful enabling discourse of unity and development, particularly appropriate to New Order Indonesia's complex pluralist society and its potential for division and instability, *Pancasila* appeared to perform the vital Gramscian legitimising function of providing the means by which the New Order could effectively craft mass socio-political consciousness and support for its developmental agendas. With their emphasis on economic breakdown and political collapse, contemporary writings understate the role of ideology in explaining the cataclysmic events of 1997/8 leading to President Suharto's resignation and the end of his New Order. The central purpose of this study is to test the hypothesis that Gramsci's ideologically-based theories of social politics provide the means to explain fully the end of Suharto's New Order; that Gramsci's hegemonic historic bloc model, with its clearly delineated overlapping and mutually inclusive economic, political, and ideological components, each powerfully informed by class-articulated ideology, offers a powerful and timely analytical framework to explain the rise and fall of Suharto's New Order. This thesis also provides an appropriate typology to explain the techniques of hegemonic refurbishment by which a dominant class crafted mass consciousness to sustain its ideological legitimacy.

In 2003 after two years researching Gramsci's understanding of hegemony as a means of explaining the rise and fall of the Suharto New Order, and Gramsci's particular emphasis on the utility of ideology as hegemonic discourse, I read John Hilley's 2001 publication *Malaysia, Mahathirism, Hegemony and the New Opposition*.<sup>5</sup> In terms of this thesis testing the value of a Gramscian perspective to explain the rise and fall of the Suharto New Order, Hilley's Mahathirist project offers some key insights.<sup>6</sup> Hilley's analysis of Dr. Mahathir Mohamad's Malaysian hegemonic bloc not only provided a timely insight into the socio-political and cultural influences that inform an emergent counter-hegemony in the contemporary Southeast Asian context of Islamic resurgence and growing demands for neo-liberal reforms, but also tested Gramsci's political theories in a parallel socio-political environment to this Indonesian research. As well as testing the Gramscian perspective in a contemporary setting, Hilley's Mahathirist project also provided significant insights into a critical

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<sup>5</sup> John Hilley, *Malaysia, Mahathirism, Hegemony and the New Opposition*, (Zed Books, New York, 2001).

<sup>6</sup> Detailed Chapter 1, section 2, p. 47 to section 2.2, p. 55.

aspect of this research: hegemonic refurbishment in response to potential counter-hegemonic challenge.

It is hardly surprising, given his state of health and the harsh conditions under which he laboured, that Gramsci's prison writings have been described as disjointed and not only difficult to interpret but tending to lend themselves to different interpretations and thus contradiction.<sup>7</sup> His approach to social politics, that prioritised the needs of leaders by emphasising processes of cultural unification against a background of order, discipline, and unity, hinted strongly at authoritarianism. Yet while Gramsci's management of consent implies authoritarianism and seemingly contradicts his emphasis on the need to satisfy the general will his techniques of consent management find strong resonance with the empirical realities of socio-politics under Suharto's New Order Indonesia. There are, *prima facie*, strong reasons for examining Gramsci in the Suharto New Order context. For example, although it is important to remember that Gramsci's concepts of hegemonic order were developed in a particular historic period, like his Italy of the 1920s and 1930s, the nation over which General Suharto imposed his New Order was in deep crisis, struggling to rationalise the roles of state and society, and came to be increasingly dominated by intrusive monopoly and investment capital.<sup>8</sup> Moreover, the powerful role the New Order was to allocate to ideology, through the regime's representation of the state doctrine *Pancasila* to sustain their domination of Indonesian life for some three decades, mirrors Gramsci's ideological approach that addressed the issue of power and domination through the 'lens of culture and ideology'.<sup>9</sup>

Transferring Gramsci's ideas to the contemporary world also faces the problem that his writings concerned crises of his particular time but there are nonetheless parallels between Gramsci's Italy of the 1920s and Suharto's New Order Indonesia. The *Risorgimento* had unified Italy's former disparate assemblage of independent states only fifty years earlier and Italy was still struggling with issues of socio-political and economic cohesion and they were occurring in Gramsci's time against a background of regime-imposed *fascism*. Suharto's Indonesia struggled with similar issues and the New Order solution was to impose upon its people an exclusive representation of the state ideology *Pancasila*. Notwithstanding the broad range of

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<sup>7</sup> James Martin, *Gramsci's Political Analysis: A Critical Introduction*, (Macmillan Press, London, 1998), p. 4.

<sup>8</sup> Anne Showstack Sassoon, *Approaches to Gramsci*, (Writers and Readers, London, 1982), p. 97.

<sup>9</sup> Martin, (1998), p. 2.



issues that informed his social and political thoughts (and the irrelevance of much of it to contemporary realities)<sup>10</sup> at the very heart of Gramsci's social politics, therefore, are theories attuned to post-independence Indonesian politics: the use of power and its close association with ideology and culture. Gramsci's concept of hegemony - intellectual and moral leadership through political alliances underpinned by a struggle for ideological domination - stands out from much of his writings and carries relevance to a socio-political analysis concerning Indonesia where the social politics of power, cultural identity and unity have dominated the mass politics of post-colonial development.

Gramsci's preoccupation with state-building and cultural unification, although originally set in the specific environment of post-World War One Italy, nonetheless, powerfully compliments contemporary analysis of similar issues in the context of post-independence Southeast Asia as Hilley has shown in his study of Mahatharist Malaysia. Aspects of Gramsci's theories on power and its relationship to ideology similarly underpin the nation-building/ideological/cultural rationalisation perspective this thesis employs to explain Suharto's New Order Indonesia. When the realities under enquiry are firmly premised, as they were under the Suharto New Order, on a hegemonic duality of political power and the crafting of the people's socio-political consciousness through ideological discourse, it is no less appropriate to reconstruct and reassert Gramsci to analyse the processes involved: representing the politics of the past in modern terms by reasserting Gramsci's socio-political model can only but expand the contemporary explanatory framework.

By contrasting the Gramscian model with the Indonesian context, this thesis offers an explicitly ideological approach to explain the basis for the Suharto New Order's formation in 1967, the regime's domination of Indonesian life for some

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<sup>10</sup> The factory movement (Roger Simon, *Gramsci's Political Thought: An Introduction*, (Lawrence and Wishart, London, 1991), pp. 78-86, Quinton Hoare, (Ed.), *Antonio Gramsci: Selections From Political Writings*, (Intervention, New York, 1977), pp. 310-321), the philosophy of praxis (Adolfo Sanchez, *The Philosophy of Praxis*, (Merlin, London, 1977), the role of 'super-structures' in capitalist society, the political party as the modern 'Prince' (Martin, (1998), pp. 89-114, Benedetto Fontana, *Hegemony and Power: on the Relationship Between Gramsci and Machiavelli*, (University of Minnesota Press, London, 1993), Antonio Gramsci, *Prison Notebooks*, translated by J. Buttigieg, (Ed.), (Columbia University Press, London, 1966), No. 5, para. 127, Simon, (1991), pp. 100-107), the Southern Italian question, Quinton Hoare and Nowell Smith, (Eds.), *Antonio Gramsci: Selections From the Prison Notebooks*, (Lawrence and Wishart, London, 1971), pp. 70-4, 92-9), Marxist revolutionary transition to socialism (Joseph Femia, *Gramsci's Political Thought: Hegemony, Consciousness and the Revolutionary Process*, (Clarendon Press, Oxford, 1981), Chantal Mouffe, (Ed.), *Gramsci and Marxist Theory*, (Routledge and Keegan Paul, London, 1979), Simon, (1991), pp. 47-51, A. Showstack Sassoon, (Ed.), *Approaches to Gramsci*, (Writers and Readers, London, 1982), the study of philosophy Hoare, (1971), pp. 323-77), and on Americansim and Fordism (Hoare, (1971), pp. 277-316).

three decades, and eventual collapse in 1997/8. The thesis is premised on the notion that Antonio Gramsci's socio-political theories based upon the crafting of mass consciousness through ideology provide a more comprehensive model for explaining the rise and fall of the Suharto New Order than the prevailing twin economic and political transition crises approach; the twin-crises approach neglects the profound influence of consensual societal subordination through the representation of ideology, specifically the New Order's rendering of the state ideology *Pancasila*, and the doctrine's deep institutionalization of the processes that dominated all aspects of Indonesian life.<sup>11</sup> Through his social politics of hegemony and hegemonic order, his theoretical construct the historic bloc, and his ideas on the use of ideology as an enabling discourse to organize hegemonic moral and intellectual legitimacy, Antonio Gramsci provides a powerful analytical perspective for such research.

Gramsci's observations on hegemonic order offer highly useful and appropriate insights into explaining the behaviour of the Suharto New Order. Gramsci's theories focus on the processes by which power is shared between those at the centre and those on the periphery of socio-political and economic influence but what is specific about his model and heightens its relevance in the Indonesian context is the essential role he attributes to ideology. Ideology in the Gramscian schema plays a vital validating role in establishing and sustaining processes that rationalize power allocation between the centre and the periphery that, on the face of it, is not dissimilar to the techniques employed by Suharto's New Order in representing the state ideology *Pancasila* to legitimize his regime's authority. As Fontana puts it, Gramsci provides insights into the techniques and machinations of ruling elites as they employ the "causatory agents of consensual persuasion legitimized by ideology" and directive

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<sup>11</sup> *Pancasila* consists of five principles originally included in the Indonesian constitution of 1945: belief in God, a just and civilized humanitarianism, national unity, Indonesian democracy through consultation and consensus, and social justice. The first principle of *Pancasila*, belief in God, was a proclamation of Indonesia as a 'religious' state, though not based on any particular faith. Indonesia would be a religious state but not 'secular' or 'Islamic.' Secularism had been thoroughly discredited by its association with communism and in recent years negatively associated with liberal democracy. The second principle called for a just and civilized humanitarianism. The third principle, national unity, demanded that regional and ethnic loyalties be foregone and that allegiance is to the unitary Indonesian state. The fourth principle committed the state to an Indonesian style democracy featuring *musyawarah* (consultation) and *mufakat* (consensus) representing patterns of behaviour derived from traditional Javanese village life. Being both Islamic terms they assured those wanting an Islamic-orientated state that their concerns and beliefs would be accommodated within a *Pancasila* state. As interpreted by both Sukarno and Suharto, the principle argues that Western forms of parliamentary or party democracy are incompatible with traditional forms of Indonesian decision-making. The fifth principle, social justice, assumes a goal of economic and social egalitarianism and prosperity for Indonesia. According to the principle, the state exists for the well-being of the collective rather than the individual and ideologically justifies a direct role for the state in the national economy.

moral and intellectual leadership to establish and sustain their hegemony.<sup>12</sup> A ruling elite's use of such processes and techniques are highly relevant to this research because they appear to closely match the behaviour of the Suharto New Order in its quest for social stability and conformity to underpin its developmental agendas. Moreover, the Suharto New Order's use of *Pancasila* as the discourse of ideological legitimacy by evoking the powerful symbolism of tradition and culture provides an important contemporary context in which to test the Gramscian model. Weighing the Gramscian model in the Suharto New Order context also offers valuable insights into what would appear to be a legitimate means of arriving at mass cohesion and socio-political development in the face of potentially problematic ethno-cultural diversity. Gramsci's social politics focus on the domestic realm of culture and ideology as the site upon which political contestation takes place and when it becomes necessary to re-configure and rationalise cultural and political demands he looks to the nature of effective ideological leadership in that arena for solutions.<sup>13</sup> *Prima facie* Gramsci's ideologically-based model also offers a relevant methodology for explaining the Suharto regime's rise and fall: it was the New Order's representation of the state ideology as discourse across the sum of Indonesia's socio-political, economic and cultural life that enabled their authority to be established and unite Indonesia's potentially problematic diverse society behind modernization and developmental agendas. While global issues contributed dramatically to domestic economic and political crises during the mid-1990s they were, nonetheless, in Gramscian terms, secondary and his insights suggest that they should have been countered through techniques and processes of hegemonic refurbishment.

Gramsci's emphasis on the cultural/ideological, formulated in the context of early Twentieth Century Italy, may appear dated in the contemporary context but the perspective is *prima facie* highly appropriate to the Suharto New Order where elements of the cultural/ideological, carefully crafted by the ruling order, legitimized a unified secular-nationalist-development-state approach in the socio-political environment of a significant majority Muslim society split by profound theological divisions. Moreover, Gramsci's insights into a schema by which capitalism could survive if not flourish in the modern bourgeoisie democracies he saw blossoming in

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<sup>12</sup> Benedetto Fontana, *Hegemony and Power: on the Relation between Gramsci and Machiavelli*, (University of Minnesota Press, London, 1990), p. 140.

<sup>13</sup> James Martin, *Gramsci's Political Analysis: A Critical Introduction*, (St. Martin's Press, London, 1998), p. 166.

the industrializing West of his time readily transfer to the post-WW 2 era of Southeast Asian capitalist development.<sup>14</sup> The political neutrality of his model of hegemonic order also continues to be borne out today by its acceptance in right-wing circles as a legitimate method by which strong leaderships of modernizing states might gain political legitimacy to acquire and hold on to political power.<sup>15</sup> As a contemporary Gramsci-ist elegantly puts it, the right has seemingly grown comfortable with the array of methods used by modern institutions of the state to sustain hegemonic order through civil society by “shaping the cognitive and effective structures” through which contemporary societies are obliged to perceive and evaluate “problematic social reality”.<sup>16</sup> The crafting of culture and ideology into an exclusive rendering of *Pancasila* as the official state ideology provided the Suharto New Order with the means to influence all aspects of mass socio-political behaviour: Gramsci’s politics of the “newly emergent yet marginalized rather than the powerful and prestigious” where everything, including economics and ideology, becomes political, offers highly useful insights into understanding the nature of the processes such influence required.<sup>17</sup>

In the Gramscian schema, the search for hegemonic legitimacy took place across the totality of economic, political, and cultural/ideological life. This research therefore needs to establish the extent to which Suharto New Order structures processes and behaviour contrasted the Gramscian model of hegemonic order in demonstrating legitimacy across each of the regime’s economic, political and ideological forms. The strong ideological orientation of a Gramscian perspective also provides a series of useful explanatory processes relevant to the impact of the contemporary resurgence of socio-political Islam and the global spread of liberal democratic ideals. Both issues had a profound impact upon Indonesia during the late 1980s, ultimately challenging the regime’s legitimacy and leading to hegemonic obsolescence and the Suharto New Order collapsing in 1998.

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<sup>14</sup> David McLellan, *Marxism after Marx*, (McMillan, London, 1998), p. 204.

<sup>15</sup> Rob van Kranenburg, ‘Whose Gramsci? Right-wing Gramscism’, *International Gramsci Society Newsletter*, March 1999, Number 9, pp. 14-8.

<sup>16</sup> van Kranenburg, (1999), p. 16.

<sup>17</sup> Dante Germino, *Antonio Gramsci: Architect of a New Politics*, (Louisiana State University Press, London, 1990), p. 253.

## 2. Thesis

It is standard among writers and scholars on the Suharto New Order that collapse in 1998 came about through *twin crises* of economic breakdown, initiated by a currency ‘contagion’<sup>18</sup> spreading from Thailand in 1996 through Southeast Asia into Indonesia from 1997,<sup>19</sup> and political collapse following overwhelming mass societal demands for economic, political, and human rights reform and regime change.<sup>20</sup> New Order economic and socio-political cohesion had come under increasing strain during

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<sup>18</sup> The term ‘contagion’ was employed by various economic analysts to describe the currency and banking crisis that swept out of Thailand. The term usefully described the transmission of the corrupting influence of neighbouring currencies contacting each other in the manner of a disease.

<sup>19</sup> Meitzner describes the economic crisis that led to Suharto resigning on 21 May, 1998 as having deepened from mid-August 1997 in four phases; first the massive devaluation of the Rupiah in August, second, further financial shocks in December 1997 with rumors about Suharto’s failing health, a third phase in late February 1998 brought about by massive student reaction to the failing economy, and a fourth phase in the first week of May 1998 when the IMF-directed abolition of fuel subsidies triggered popular riots in Medan. Marcus Meitzner, ‘From Suharto to Habibie: the Indonesian Armed Forces and political Islam during transition’, in Geoff Forrester, (Ed.), *Post-Suharto Indonesia: Renewal or Chaos?* (Crawford House Publishing, Bathurst, 1999), pp. 66-76; Michael Vatikiotis, *Indonesian Politics under Suharto: The Rise and Fall of the New Order*, (Routledge, London, 1998), pp.xvii-xix; *Far Eastern Economic Review*, 22, May, 4, 11, 18, September, 23, October, 13, 20, November, 18 December, 1997, (p.70), 22, 29, January, 19, February, 16, April, 1998 (p.59); H. W. Arndt and Hal Hill, *Southeast Asia’s Economic Crisis: Origins, lessons, and the Way Forward*, (Allan and Unwin, Singapore, 1999), pp. 16-28; M. T. Daly and M. I. Logan, *Reconstructing Asia: The Economic Miracle That Never Was, The Future That Is*, (RMIT University Press, Melbourne, 1998), pp. 13-22; Clark D. Neher, *Southeast Asia in the New International Era*, (Westview, Oxford, 1999), pp. 113-4; Philippe F. Delhaise, *Asia in Crisis: The Implosion of the Banking and Finance Systems*, (Wiley and Sons, Singapore, 1998), pp. 131-141; Francois Godement, *The Downsizing of Asia*, (Routledge, London, 1999), pp. 82-91 and pp. 161-2; Andrew MacIntyre, ‘Political Institutions and the Economic Crisis in Thailand and Indonesia’, in T. Pemple, *The Politics of the Asian Economic Crisis*, (Cornell, London, 1999), pp. 158-60; David Bourchier and Vedi R. Hadiz (Eds), *Indonesian Politics and Society: A Reader*, (Routledge Curzon, London, 2003), pp. 18-21; Ahmad D. Habir, ‘Conglomerates: All in the Family?’ in Donald K. Emmerson (Ed), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), pp. 197-201; Peter Searle, ‘Ethno-religious Conflicts: Rise or Decline? Recent Developments in Southeast Asia’, *Contemporary Southeast Asia*, Vol. 24, No. 1, April 2002, pp. 6-12; Jamie Mackie, ‘Tackling the Chinese Problem’, in Geoff Forrester, (Ed.), *Post-Soeharto Indonesia: Renewal or Chaos?* (Crawford House, Bathurst, 1999), pp. 10-15.

<sup>20</sup> Fear of mass unrest panicked the elites and contributed to both sides of the political establishment (power-holders and opposition) withdrawing their support for Suharto. Young, (1999), p. 76; MacLane, ‘Mass Politics and Political Change in Indonesia’, in Arief Budiman, Barbara Hartley, and Damien Kingsbury (Eds), *Reformasi: Crisis and Change in Indonesia*, (Monash Asia Institute, Clayton, 1999), pp. 239-50. On the inadequate ‘establishment’ and elite response to the crisis; Max Lane, ‘Mass Politics and Political Change in Indonesia’, Budiman, Hartley and Kingsbury, (1999), pp.240-250; Watson, (2002), pp. 120-1; Vincent Boudreau, ‘Diffusing Democracy? People Power in Indonesia and the Philippines’, *Bulletin of Concerned Asian Scholars*, Vol. 31, No. 4, 1999, pp. 3-18; Young, (1999), pp. 70-73; Walters, (1999), p.60; Metzner, (1999), pp. 85-7; Hara, (2001), p. 320. For the politics of the crisis see MacIntyre, (1999), pp. 143-162; *FEER*, 12 February, 1998, pp. 16-7, 14 May, 1998, pp. 22-4; Daly and Logan, (1998), p. 21; Delhaise, (1998), p. 136-7; Godement, (1999), p. 162-4; Vatikiotis, (1998), pp. 218-232; Bourchier and Hadiz, (2003), pp. 278-283; R. William Liddle, ‘Regime: The New Order’, in Donald K. Emmerson (Ed), *Indonesia Beyond Suharto: Polity, Economy, Society and Transition*, (M. E. Sharpe, London, 1999), pp. 68-70; editorial, *Jakarta Post*, 8 January, 1998; Edward Aspinall, ‘The broadening base of political opposition in Indonesia’, in Gary Rodan (Ed), *Political Oppositions in Industrialising Asia*, (Routledge, London, 1996), pp. 228-231; J. Kristiadi, ‘The Future Role of ABRI in Politics’, in Geoff Forrester (Ed), *Post-Soeharto Indonesia: Renewal or Chaos?* (Crawford House, Bathurst, 1999), pp. 55-06.

the previous decade<sup>21</sup> from demands for regime change and economic and socio-political reform and these issues contributed to the regime's eventual collapse in 1998. The catalyst for economic failure was the Thai currency 'contagion' stimulating a growing economic crisis in Indonesia from early 1996, reinforcing the socio-political unpopularity of the Suharto regime and ultimately leading to the end of the Suharto New Order with his resignation in 1998. On their own these events neither adequately nor fully explain the failure of the Suharto regime after three decades of domination, relative social stability, and economic progress. This thesis argues that the failure of the 'twin-crises' theme to adequately explain what occurred is that prevailing views do not take into account vital factors of ideology and culture and their use in crafting consensual mass subordination, specifically the significance and influence of the New Order regime's representation of the state ideology *Pancasila* as an instrument of hegemonic discourse to legitimize its nation-building agendas. The prevailing twin-crises explanation therefore neglects the profound role ideology played over some thirty years in morally and intellectually legitimizing New Order hegemony and enabling socio-political stability and a high level of socio-political and economic development. This thesis examines the argument that the twin-crises approach does not adequately address the shortcomings in the New Order's representation of ideology and its contribution to the circumstances that led to Suharto resigning and proposes that it is to Gramsci and his model of hegemonic order that we should turn for a more comprehensive explanation.

Antonio Gramsci's social politics dynamically link ideology and culture to creating and sustaining regime hegemonic legitimacy and this thesis tests his approach in the context of the socio-political events that reached their cataclysmic conclusion in Indonesia during 1997/8. Explaining the rise and fall of the Suharto

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<sup>21</sup> For the origins of the economic crisis in the late 1980s and subsequent calls for market reform and deregulation see: Soestrato, (1998), p. 853; A. MacIntyre (Ed), *Business and Government in Industrialising Asia*, (Allen and Unwin, St., Leonards, 1994), pp. 11-2; Richard Robison, 'Politics and Markets in Indonesia's Post-oil Era', in Gray Rodan, Kevin Hewison and Richard Robison (Eds), *The Political Economy of Southeast Asia: An Introduction*, (Oxford University Press, Melbourne, 1997), pp. 34-63; Anthony Rowley, 'Who's who in Jakarta?' *FEER*, 1 September, 1987, pp. 72-3; Soestrato, (1989), pp. 858-9; Richard Borsuk, 'Markets: The Limits of Reform', in Donald K. Emmerson, *Indonesia Beyond Suharto; Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), pp. 140-2; H. W. Arndt and Hal Hill, *Southeast Asia's Economic Crisis: Origins, Lessons and the Way Forward*, (Allen and Unwin, Singapore, 1999), p. 16; Neher, (1999), pp. 110-112; Delhaise, (1998), pp. 129-131; David Martin Jones, *Political Development in Pacific Asia*, (Polity Press, Cambridge, 1997), pp. 122-128; Vatikiotis, (1998), pp. 138-189; Habir, (1999), pp. 183-197; Richard Borsuk, 'Markets; the Limits of Reform' in Donald K. Emmerson (Ed), *Indonesia Beyond Suharto; Polity, Economy, Society and Transition*, (M. E. Sharpe, London, 1999), pp. 136-67; editorial *Republika*, 30 March, 1998.

New Order using Gramsci's acute sensitivity to the relationship between *culture, ideology, hegemony, counter-hegemony* and the *phenomenon of mass consciousness over a distinct historic period* offers a means of prioritizing domestic and cultural factors that tend to be neglected in the simplistic twin-crises approach that over-emphasizes external global factors.<sup>22</sup> Gramsci's socio-politics of hegemonic construction, containment, and challenge and, in particular the vital role of ideology as a 'binding glue'<sup>23</sup> of socio-political unity to institutionalize and legitimize class domination and societal cohesion (Gramsci's 'historic bloc'),<sup>24</sup> offers the ideal model against which to contrast the rise and fall of the Suharto New Order in the face of socio-political and economic challenge. The research centres on Gramsci's notion that hegemonic continuance requires ongoing reaffirmation of moral and intellectual leadership constantly readdressed on the basis of new and changing patterns of socio-political and economic alliances that responded to change. In Gramsci's analysis, a hegemonic order must remain prepared and able to reconstruct itself when challenged by new socio-political circumstances and new realities.

As well as renegotiating and re-balancing societal forces and alliances, a crisis of regime hegemony (in the face of a latent counter-hegemony) suggests hegemonic obsolescence or decay and requires what Gramsci describes as ideological refurbishment through re-articulating a regime's ideological legitimacy.<sup>25</sup> To Gramsci, a class cannot achieve or maintain its hegemonic position if it confines itself merely to its own class interests; it must go outside immediate self interest and attract to its cause "popular and democratic aspirations" through ideological persuasion which might in itself demand the re-adjustment and re-negotiation of both intra-regime

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<sup>22</sup> Carl Boggs, 'What Gramsci Means Today', in Douglas Dowd, (Ed.), *Understanding Capitalism: Critical Analysis From Karl Marx to Amartya Sen*, (Pluto Press, London, 2002), pp. 57-8.

<sup>23</sup> Esteve Morera, *Gramsci's Historicism; A Realist Perspective*, (Harvester Wheatsheaf, London, 1990), p. 190.

<sup>24</sup> A Gramscian 'historic bloc' represents the hegemonic activity of a historic period during which the economic affairs of Marx's 'structure' and the politics and ideology of his 'superstructure' overlap into an organic system of social alliances held together by a common ideology and a common culture. As such, the 'historic bloc', an analytical construct comprising three overlapping forms (its economic, political, and ideological), represents hegemonic order in which a ruling class 'leads' its allies and supporters while 'dominating' its opponents. Without the element of consent implied in leadership, society is left with no 'ethico-political' direction but is merely under a form of 'precarious domination' that is continually, and disharmoniously, questioned by those dominated. The Gramscian historic bloc is explained in further detail in Chapter 1, section 1.7, pp. 37-39. Luciano Pellicani, *Gramsci: An Alternative Communism?* (Hoover Institute Press, Stanford, 1981), pp. 31-2; Anne Showstack Sassoon, *Gramsci's Politics*, (Croom Helm, London, 1980), pp. 121-2.

<sup>25</sup> Antonio Gramsci, *Selections from the Prison Notebooks*, translated by Quinton Hoare and Geoffrey Nowell Smith, (Eds.), (Lawrence and Wishart, London, 1977), pp. 180-3.

and top down key societal alliances.<sup>26</sup> Power relations in the context of regime hegemony generally necessitate some kind of societal trade-offs but an emergent counter-hegemony would not necessarily require, as Chantal Mouffe puts it, replacing the hegemonic order's world-view with a "completely new" one.<sup>27</sup> In the context of the Suharto New Order, faced as it was with a crisis of moral and intellectual legitimacy, a transformation of existing ideological elements would have sufficed had those processes been adequate to address and ameliorate the economic and socio-political challenges of the 1990s by offering a more inclusive re-articulation of the state ideology *Pancasila*. The necessary socio-political and economic concessions on the face of it appear to have been deemed unacceptable to regime agendas and in particular Suharto's continued Presidency.

From a Gramscian perspective, countering the serious crisis of hegemony that confronted the New Order during the 1990s (and catalyzed the twin economic and political crises) required re-balancing political forces and ideologies with a concurrent restructuring of the relevant state institutions. Gramsci's insights shed light on whether it was the regime leadership's inability to do so that resulted in the New Order bloc failing to reinvigorate and thus sustain itself before ultimately collapsing.<sup>28</sup> The state's exclusive possession of the state ideology *Pancasila* had set the necessary ideological arrangements in place but this thesis will determine whether the regime's profound inability to carry out the essential Gramscian function of renegotiation and refurbishment through ideological persuasion and assimilation to counter new and challenging socio-political circumstances ultimately proved disastrous for Suharto. Rather than the overly simple blame attached to twin economic and political crises, Gramsci's theories on hegemonic refurbishment will be used to establish the extent to which it was the New Order's unsuccessful ideological responses to both the economic crisis from early 1996, and demands for *reformasi dan demokrasi* from the early 1990s, that effectively catalyzed the circumstances of Suharto's resignation in 1998.

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<sup>26</sup> Roger Simon, *Gramsci's Political Thought: An Introduction*, (Lawrence and Wishart, London, 1991), p. 43. It is within these systems of alliances, called by Gramsci the 'historic bloc' that hegemony resides.

<sup>27</sup> Chantal Mouffe, 'Hegemony and Ideology in Gramsci' in Mouffe, (Ed.), *Gramsci and Marxist Theory*, (Routledge, London, 1979), pp. 168-204. Aroel Heryanto, 'Indonesian middle-class opposition in the 1990s' in Gray Rodan, (Ed.), *Political Oppositions in Industrialising Asia*, (Routledge, London, 1996), p. 241.

<sup>28</sup> Hoare and Nowell Smith, (1991), p. 30.



The economic crisis that struck Southeast Asia in 1997 catalyzed an unravelling of the New Order's socio-political and economic legitimacy but it is necessary, for a full understanding of their effects, to consider both external and domestic factors when examining their impact on the Suharto New Order. While an onslaught of global market forces and predatory global capital speculation clearly contributed to Indonesia's financial crisis, it was the domestic realities of minimal financial transparency, cronyism, and nepotism, contradicting the legitimizing egalitarian tenets of a *Pancasila*-ist economy that were largely responsible for the Indonesian economy's subsequent vulnerability. The global spread of liberal democratic ideals and emergent international socio-political Islam from the late 1980s also compromised the legitimizing tenets of the New Order's representation of *Pancasila demokrasi*. Both elements of the twin-crises approach therefore invite consideration in Gramscian terms of the New Order's rendering of *Pancasila* and its derivatives suffering hegemonic obsolescence and suggesting the regime was losing its ideological legitimacy.

Hilley points out that Gramscian hegemonic discourse is essentially a nation-building artifice and this thesis argues that the Suharto New Order's representation of *Pancasila* as state ideology performed precisely this nation-building function.<sup>29</sup> As a genuine representation of the national-popular will ideology's appeal to hegemonic legitimacy lies primarily in its response to internal demands. Over some thirty years the Suharto New Order maintained a strong sense of popular association between the ideas of collective egalitarian economic development and a *Pancasila*-ist economy, unity/societal stability in ethnic diversity, *Pancasila* as an ideologically-unifying discourse, and the political egalitarianism implied in *Pancasila demokrasi*. It is questionable whether the two of *Pancasila*'s five pillars of moral and intellectual legitimacy directly relevant to the regime's economic and political forms met their intentions. 'Pillar' four, *Mufakat demokrasi*, that implied unanimous, consensual democracy, required an emphasis on consultation and consensus, while pillar five, *Kesejahteraan sosial*, called for prosperity through equitable economic and social development.

Gramsci warned that hegemony must never be taken for granted and this thesis questions whether failure in these terms defined the short-comings and ultimate

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<sup>29</sup> Hilley, (2001), p. 6.

failure of the regime. Questioning ideological failure (in terms of *Pancasila* as Gramscian hegemonic discourse ideologically legitimizing hegemonic order) as a comprehensive explanation for the demise of the Suharto New Order must therefore not only explore hegemony's internal (or domestic) shortcomings but also examine hegemony's shortcomings in coming to terms with hitherto quite unexpected external challenges. While greatly enhanced by an Islamic global revival during the 1980s heightened Islamic consciousness came, to a great extent, from a new Muslim middle-class having benefited from thirty years of New Order' economic development and education agendas coming to question *Pancasila*'s secular basis for the Indonesian state. Demands for political reform, inspired by Western notions of liberal democracy and human rights, applied external standards that were adopted to challenge the regime's exclusive use of ideology and employed to capture the language of *Pancasila* its self in legitimizing calls for *demokrasi reformasi*. Externally imposed challenges thus became internalized and from the late-1980s provoked growing contradictions between the appropriateness of Western liberal democratic notions of political participation, open markets and human rights on the one hand, and Islam as practiced through *Pancasila* in Indonesia on the other.

### ***3. The themes and issues***

#### ***3.1 Regime political survival in Southeast Asia***

Since 1945 Asia has experienced civil war, armed insurgency, coup d'etat, regional rebellion, revolution, and considerable ethno-religious unrest, with regimes and political systems throughout the region remaining under constant challenge. Muthiah Alagappa observed that regime concern with political survival in Asian countries has required adopting a more internalized approach towards security to prioritize socio-political stability.<sup>30</sup> Colonial rule destroyed traditional systems of rule so Western political ideas were called upon to guide the de-colonisation phase with variants of democracy, socialism, and communism providing rallying points from which to challenge regimes that were in turn obliged to seek popular legitimacy through international support and economic development.<sup>31</sup> It is hardly surprising that political survival became a prime security concern and to achieve political authority

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<sup>30</sup> Muthiah Alagappa, *Asian Security Practice: Material and Ideational Influences*, (Stanford University Press, Stanford, 1998), pp. 611-6.

<sup>31</sup> Alagappa (1998) p. 616.

national elites were obliged to pursue national unity, political stability, societal harmony and law and order, if they were to protect incumbent political systems and governments.<sup>32</sup> With national identity and political legitimacy under persistent contestation the problem of political survival required addressing such issues as the appropriate political organization of the state, how to hold ruling regimes together, and how to maintain socio-political acquiescence and stability. Political elites came to view regime survival and economic prosperity as intimately related and were prepared to permit limited forms of democratic participation even though the major threat to political survival tended to come from the competing political and socio-cultural values that popular political participation enabled. Because of their adverse consequences for regime agendas that relied upon political stability for economic development, as well as the challenges they posed to the political legitimacy of the incumbent elite, overly liberal political ideas and human rights came to be viewed as a prime threat to political survival.<sup>33</sup>

It is hardly surprising a highly developed form of political system that comprised elements of democracy balanced with a solid contribution of authoritarianism, evolved in Southeast Asia, with the limited form of democracy allowed by the region's political elites, to borrow from Walzer, little more than the minimum required to legitimise the political allocation of power.<sup>34</sup> Mahathir Mohammed of Malaysia and Lee Kuan Yew of Singapore strongly defended political systems based on minimal open political participation as a distinct improvement on the form of liberal democracy practiced in the West where the needs of the individual tended to be placed above those of the group and by implication detrimental to the broader interests of society.<sup>35</sup> In their view a strong state should not be feared so long as it is united behind egalitarian political and economic development in an environment of socio-political stability or, as Gramsci would put it, by a hegemony that can lay claim to an intellectual and moral legitimacy based on national consensus to mass subordination. Even when the collective is emphasised over individual rights (or a strengthening of individual rights) to enhance ideological legitimacy, there needs

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<sup>32</sup> Alagappa (1998) p. 625.

<sup>33</sup> Alagappa (1998) p. 682-3.

<sup>34</sup> Michael Walzer, *Spheres of Justice: A Defence of Pluralism and Equality*, (Basin, New York, 1983) p. 310.

<sup>35</sup> There is a general belief among Southeast Asian political leaders – regularly voiced – that the individualism of Western democracy has contributed to a wide range of serious social problems in those countries.

to be a subtle balance of the two. While there was considerable dialogue about Asian-style democracy from the late-1980s (and *Pancasila demokrasi* was its Indonesian variant) the financial crisis of 1997 clearly demonstrated the fragility of soft-authoritarian rule and the irrelevance of any so-called Asian way. The crisis and its aftermath also showed how ill-equipped soft-authoritarian regimes were in containing the mass socio-political forces that arose out of economic trauma following decades of inequitable growth.

The spread of capitalism that followed World War 2 was not paralleled by an emergence of liberal democracy among the post-colonial societies of the Third World. In the case of Indonesia, capitalist development was driven by what Robison described as a “military bureaucratic state”.<sup>36</sup> Successful economic and social development did not commence in Indonesia until General Suharto’s authoritarian New Order regime established itself in 1967 and determined that national stability needed to be enforced as an essential prerequisite to economic development. Robison credits the Indonesian New Order ruling elite with the capitalist transformation of the Indonesian economy and a prime purpose of this thesis is to examine the proposal that a Gramscian perspective comprehensively describes the processes by which the New Order underwrote its authority through the infusion of a moral and intellectual legitimizing ideology into an all-embracing socio-political culture that effectively stabilized and unified the nation behind Indonesia’s successful capitalist evolution.<sup>37</sup>

The socio-political power of Suharto’s New Order military bureaucratic state emanated essentially from its ability to appropriate the power of bureaucratic office to control and determine market access for the benefit of favoured elites.<sup>38</sup> To solidify its preferred arrangement of Indonesian life, from its assumption of power in 1967, the New Order empowered a hegemonic duality of socio-political resources (organic intellectuals) that Herbert Feith most usefully describes in his analysis of Indonesian post-independence social politics as ‘administrators’ and ‘solidarity-makers’.<sup>39</sup> The binding glue of moral and intellectual authority necessary to legitimize

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<sup>36</sup> Richard Robison, ‘Toward a Class Analysis of the Indonesian Bureaucratic State,’ in *Indonesia*, Number 25, April, 1978, p. 17.

<sup>37</sup> Robison, (1978), p. 17.

<sup>38</sup> Robison, (1978), p. 18.

<sup>39</sup> Herbert Feith, *The Decline of Constitutional Democracy in Indonesia*, (Cornell University Press, New York, 1962), pp. 24-5. Feith’s ‘administrators’ are those whose administrative, legal, technical and financial skills are necessary for the running of a modern state and qualify them to take charge of the highest levels of state service. Also included within the category are those military personnel necessary for the tasks of military organization and strategy. His ‘solidarity-makers’ are those with the

the New Order's subsequent domination of Indonesian society derived, on the one hand, from the solidarity-maker's exclusive representation of the state ideology *Pancasila* and, on the other, they and the administrators' effective balancing of state coercion with societal co-operation and consensus to attain prime socio-political agendas. Until the ideological challenges of the early 1990s, President Suharto not only remained the omnipotent head of the solidarity-making elites, but his symbol wielders were able to sustain pre-eminent authority over the administrative techno-bureaucratic civil and military classes.

### ***3.2 Indonesia and liberal democracy***

Both General Sukarno (upon independence) and General Suharto (following Sukarno's ousting in 1967) took power aware that stability and cohesion among Indonesia's plethora of conflicting cultural and value interests required firm socio-political control. Serious doubts existed among Indonesia's elites as to the practicality of liberal democracy in the Indonesian context so neither Sukarno nor Suharto gave it high priority in their visions of a future Indonesia. The modernist Islamic political party (PAN) leader Amien Rais' statement in 1998 that he included among Indonesia's five national assets the "manageability of the Indonesian people by their leaders" says much about elite perceptions as to whether the Indonesian masses might be capable of making the rational choices implied by Western-style liberal democratic participation.<sup>40</sup> The Islamic scholar's observation moreover tends to vindicate Islam's traditional guidance to the faithful that they obey Allah's Messenger and "those charged with authority" amongst God's followers rather than the more modern exhortations of a secular-nationalist orientated leadership.<sup>41</sup> Rais' comment may have appeared a little glib, but represents a further key theme of the thesis by reflecting the reality of behaviour and consciousness among Indonesia's predominantly Islamic masses.

Indonesia's only experience with liberal democracy before Suharto's resignation in 1998 occurred during the 1950s and ended in abject failure when

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integrative skills of symbol manipulation, ideological persuasion, cultural mediation and mass organization able to exercise leadership on the basis of traditional and/or charismatic authority. The category includes those able to craft mass ideological consciousness and those authorized to determine military doctrine.

<sup>40</sup> *Jakarta Post*, August 3, 1998.

<sup>41</sup> Dr. H. Tarmizi Taher, quoting the Qur'an (al-Nisa '59) in *Aspiring for the Middle Path: Religious Harmony in Indonesia*, (Center for the Study of Islam and Society, Jakarta, 1997) p. 122.

parliament proved incapable of resolving the two major issues of the time - the relationship between Islam and the state, and the elite division of state authority.<sup>42</sup> Following Indonesia's unsuccessful 1950s' experiment with democracy, party politics submitted to President Sukarno's 'guided democracy' (*Demokrasi Terpimpin* or more accurately 'democracy with leadership') and then passed, via a bloody transition, to General Suharto's authoritarian New Order regime and three decades of systematic mass depoliticisation. Issues of political participation, political Islam, and the unitary nature of the state, that remained unresolved following the failure of democracy during the 1950s required constant management by the New Order state and remain largely unresolved today. These issues also represent a dominant theme throughout the thesis.

Rarely have notions of democracy (notwithstanding that there does not appear to exist any single democratic standard) been successfully transferred to Southeast Asia.<sup>43</sup> From their studies of democratic transition in the former Soviet Union, that compare notions of democracy in the East with those of the West, Biryukov and Sergeyev argue that democracy can only really be understood in terms of the meaning ascribed to it by empowered political agents and not simply by references to some "abstractly-defined criteria or indices".<sup>44</sup> To be fair to Indonesia's conservative ruling order, and borrowing from David Hume, elites really want no more than sufficient political stability to protect their interests, and realize that too much political freedom can simply lead to an upsurge of grass-roots' political activity and inevitable socio-political chaos.<sup>45</sup> In this view too much political freedom has the socio-political consequence of unleashing Dewiel's "value pluralism".<sup>46</sup> Hara suggests that Indonesia's recent democratic/regime transition process saw a series of compromises taking place between authoritarian and democratic elements of the elite that effectively tempered the number of 'value options' available and that the potential for socio-political chaos was only successfully limited by a multiplicity of powerful

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<sup>42</sup> This dilemma has carried over into the 21<sup>st</sup> Century and the post-Suharto era of regime transition, and seen an overlapping and continuing struggle between social and political forces over how the 'power' carried over from the openly discredited New Order might be re-apportioned in the new era.

<sup>43</sup> Damien Kingsbury, *Southeast Asia: A Political Profile*, (Oxford University Press, 2001), p. 43.

<sup>44</sup> David Beetham, (Ed.), *Defining and Measuring Democracy*, (Sage, London, 1994), Nikolai Biryukov and Victor Sergeyev, 'The Idea of Democracy in the East and in the West,' pp. 182-199.

<sup>45</sup> David Hume, *A Treatise of Human Nature*, (Clarendon, Oxford, [1740] 1978), III:ii: p. 9.

<sup>46</sup> Boris DeWiel, *Democracy: A History of Ideas*, (UBC Press, Vancouver, 2000), pp. 3-10. As democracy is all about *dicensus* and fractiousness, and is inherently conflictual, DeWiel argues a value pluralism thesis that focuses on the political implications of the various groups that make up society in conflict with each other over their values and ideas about the common good. To put it in his words, "value pluralism is the theory that the expanding culture of modernity provides each of us with shared conceptions of the good but that these conceptions are irreconcilable." (p. 4.)

groups and individuals sharing a willingness to accommodate each others interests.<sup>47</sup> Democratic transition turned out to be all about sectoral and political elites, against a background of political and economic chaos, successfully mobilizing overlapping values and interests to their best interests and removing their support from President Suharto. While pluralism must necessarily recognize the legitimacy and commonality of values, priorities inevitably differ and it is generally from within ideology and culture that the ultimate conflicts about shared values are found and resolved. The fractiousness and disensus that continues to characterize politics in contemporary Indonesia remain largely ideological reflecting the differing values ideology represents in that diverse society. Thus a prominent theme of this thesis is that understanding the twin crises of economic breakdown and democratic transition that led to Suharto's resignation and the end of his New Order requires understanding the range of value and interest group conflicts that have bedevilled Indonesian society since independence.

#### ***4. An analytical framework for the thesis***

The twin interests of Antonio Gramsci and General Suharto's New Order regime form the central themes of this thesis. The inadequacy of conventional commentary in accounting for the rise and fall of the New Order gives rise to a more comprehensive framework of analysis heavily based on the use of ideology as mass discourse. More sympathetic to the role ideological control played in formulating, sustaining (and ultimately failing) New Order domination, Gramsci's analysis of hegemonic order, *prima facie*, offers a powerful and more comprehensive analysis and explanation of both the rise and the fall of Suharto's New Order. It is to this analysis that this thesis now turns starting, in the following chapter, with an outline of Gramsci and his contribution to a framework of political analysis with which to contrast the behaviour and ultimate failings exhibited by the Suharto New Order.

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<sup>47</sup> Abubakar Hara, 'The Difficult Journey of Democratisation in Indonesia,' *Contemporary Southeast Asia*, Vol. 23, No. 2, August 2001, p. 309.

# ***The Suharto New Order and Pancasila: the dialogue of ideological legitimacy***

## ***Chapter 1***

### ***Antonio Gramsci and the thesis***

This chapter sets out and details key aspects of Gramsci's political theory for testing in a contemporary setting - the Suharto New Order as an example of Gramscian hegemonic order. The chapter then draws attention to John Hilley's recent thoughtful analysis of the Mahathirist 'bloc' in neighbouring Malaysia. Hilley's project employs a Gramscian hegemonic perspective that focuses on political legitimacy and the use of ideological discourse to balance class interests in response to counter-hegemonic forces.<sup>48</sup> By explaining the reshaping of Malaysian state-class alignments using the Gramscian historic bloc's analytically constructed "typology of economic, political and ideological forms" Hilley's critique of Mahatharism provides a perspective pertinent to this study of the Indonesian New Order.<sup>49</sup> The chapter concludes with an outline of the thesis structure highlighting the main insights and proposals from the Gramscian model to be tested in the subsequent chapters as to whether the model's predictions are relevant to the Indonesian context. As discussed above<sup>50</sup> while Gramsci's thoughts were developed in the context of post-World War 1 Italy his model, formulated in an environment of elite-driven industrialisation and modernisation and ideological control, advances significant explanatory insights.

This research is primarily informed by the four key elements that underpin Antonio Gramsci's socio-political theories: his concept of *hegemony*; the notion of the *historic* (or *power*) *bloc*; the role of the Gramscian *intellectual* in maintaining moral and intellectual legitimacy by disseminating *ideology* into the mass consciousness on behalf of the dominating class, and the phenomenon of potential

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<sup>48</sup> John Hilley, *Malaysia: Mahathirism, Hegemony and the New Opposition*, (Zed Books, London, 2001).

<sup>49</sup> Hilley, (2001), p. 14.

<sup>50</sup> Introduction, section 1, p. 3.



*counter-hegemony*. It is first necessary to explain the essence of the Gramscian political theory and his points of departure from Marxist theory.

## ***1. Gramsci's contribution***

### ***1.1 Gramsci and ideological legitimacy***

Enquiring into the processes of Suharto New Order consolidation, continuity, and disintegration, from the Western-orientated perspective of Italian Marxist critic Antonio Gramsci, requires examining the means of allocating power between those at the centre and those on the periphery of socio-political and economic agendas, and the essential role played by ideology in establishing and sustaining the legitimacy of those means. Employing Gramsci's notions of hegemony through ideological legitimacy to explain the Indonesian political imbroglio requires contrasting the Suharto New Order's arrangement of Indonesian life with the Gramscian model of hegemonic order across an historic period. While the relevant theoretical aspects of Gramsci's social politics are explained in detail below, it is sufficient to point out at this stage that Gramsci refers to the historical process of hegemony as an 'historic bloc' comprising three essential overlapping and mutually inclusive hegemonic components of political, economic, and ideological forms. Because of the critical importance Gramsci applied to ideology in crafting mass consciousness to underwrite moral and intellectual legitimacy, the ideological form of the bloc becomes most crucial in that it presents the discursive processes by which societal acceptance is sought to legitimize class hegemony. As it provided the hegemonic discourse through which the Suharto regime crafted mass consciousness to its moral and intellectual legitimacy, and thus its hegemony, the state ideology *Pancasila* therefore represents a central feature of this thesis.

The explanatory utility of the Gramscian model as a contrast to the dominant twin-crises approach of economic breakdown and regime transition is that it appears to provide coherent emphasis on the issues of cultural and ideological (and therefore religious) diversity and mitigating their potential for socio-political chaos. Through a schema that evaluates ideological moral and intellectual legitimacy, the Gramscian model contrasts the externally-orientated twin-crises approach by explaining the rise and fall of the Suharto New Order in terms of institutionalizing hegemonic order, processes of hegemonic challenge, maintenance and crisis and,

finally, the success or failure of attempts to re-constitute ideologically class arrangements to sustain regime legitimacy. In so doing, the perspective also contrasts the twin-crises approach by placing priority on domestic factors rather than external influences largely outside the control of the state.

## ***1.2 Gramsci and the Suharto New Order***

After watching his dream of an Italian Marxist-Leninist revolution crushed by the Fascists, Italian Marxist critic and political scientist, Antonio Gramsci, spent the rest of his short life in Mussolini's prisons analyzing the failure. His focus turned to finding a place for ideology that he could tie closely to culture within a Marxist understanding of political economy and was drawn to the relationship between political culture, mass social consciousness and behaviour, ideology, and sustaining power in the face of the multiplicity of conflicting values which he saw as tending to characterize modern pluralist societies.<sup>51</sup> Gramsci's subsequent approach to societal arrangement and order offers an important and practical political theory for explaining the type of multi-ethnic setting in post-independence Indonesia.

Gramsci's political arrangement presents a form of post-liberal democratic theory that Golding suggests moves beyond the historical tensions that exist between the ideals of liberalism and democracy and the ballot-box mathematics that tend to pre-occupy modern social democrats.<sup>52</sup> His work and thought links pluralism and political participation with ideological supremacy and as well as deepening and expanding liberal-democratic ideology, as Laclau and Mouffe put it, also offers "radical and plural outcomes more attuned to the modern age".<sup>53</sup> By focusing on the particular problems of class dynamics during an historical process of socio-political development, transformation, and political crisis, Gramsci shifts analysis from Marxism's "hegemony of the proletariat" to the "hegemony of the bourgeoisie."<sup>54</sup> As well as explaining the machinations of elite regimes in achieving and maintaining domination over the "uniquely fluid power imbalances" that represent

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<sup>51</sup> David Forgacs, (Ed.), *An Antonio Gramsci Reader: Selected Writings, 1916-1935*, (Schocken Books, New York, 1988).

<sup>52</sup> Sue Golding, *Gramsci's Democratic Theory: Contributions to a Post-Liberal Democracy*, (University of Toronto Press, London, 1992), pp. 123-4.

<sup>53</sup> Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics*, (Verso, London, 1985), pp. 176-78, and pp. 192-3. They do not use the term 'radical' in its classical meaning as 'revolution' as that would be incompatible with the plurality and 'opening' which democracy requires. 'Radical' in this context implies 'dramatic change'.

<sup>54</sup> Christine Buci-Glucksmann, *Gramsci and the State*, (Lawrence and Wishart, London, 1980), p. 47.

socio-political reality in complex pluralist modernizing societies, the Gramscian model also offers meaningful insights into understanding mass response to the agendas of such socially-diverse, ethico-political, arrangements as the Suharto New Order's response to ideological challenge.<sup>55</sup>

While Gramsci attributes his original understanding of the concept of hegemony to Lenin, his relevance to contemporary theory is his extension of the term well beyond its original use and attaching to it a practical understanding of the idea of moral and intellectual leadership through ideological persuasion. Femia suggests Gramsci was the first Marxist thinker to address with sensitivity the historical impact of "ideologies and consciousness" upon political economy because no one prior to Gramsci saw any point in "delving into the intricacies of mass psychology."<sup>56</sup> By focusing on hegemony's cultural and moral features the Gramscian project is able to present a conceptual understanding of an intellectual/ideological schema that addresses the key issue of assimilating subordinate groups of varying degrees of ideological sympathy into a dominant order. Thus, Gramsci's advanced understanding of hegemony provides an analytical concept to explain how a dominant class striving for socio-political legitimacy attains and sustains domination over subordinate groups in a modernizing industrialized society through its exclusive rendering of ideology.<sup>57</sup>

Gramsci's concept of hegemonic order offers a modern theory of social politics built upon power in three specific ways. Because an emergent leadership group lacking the consent of its people is unlikely to achieve hegemony he first used the concept of power to describe the leadership of an historic bloc as an historical process of power acquisition that negotiated solidarity both within the elite group itself and then between it and other sympathetic, yet subordinate, groups. His understanding of hegemonic class domination also describes the various forms of social control (the balanced combination of coercion and consensus) available to the dominant social class. His approach to the question of hegemonic domination thus differentiates two separate modes of socio-political control; the function of domination as physical coercion and the function of "hegemonic direction" as ideological power derived

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<sup>55</sup> Golding, (1992), p.viii and pp. 123-4.

<sup>56</sup> Joseph Femia, *Gramsci's Political Thought: Hegemony, Consciousness, and the Revolutionary Process*, (Clarendon Press, Oxford, 1981) p. 57.

<sup>57</sup> Paul Ransome, *Antonio Gramsci: A New Introduction*, (Harvester Wheatsheaf, London, 1992) p. 138.

through consensus and political support.<sup>58</sup> Gramsci used the concept further, and in a way that is *prima facie* particularly relevant to the late-Suharto era of socio-political challenge and economic crisis, by concluding that when hegemonic challenge occurs in response to the exigencies of changing mass ideological consciousness, it does so broadly across the “political and intellectual terrain” of the legitimate institutions of civil society.<sup>59</sup> Gramsci’s historic bloc as a hegemonic construct is therefore as much political and ideological as it is economic.<sup>60</sup>

Gramsci’s relevance to understanding the challenges to New Order domination from demands for broader political participation and mass calls for *demokrasi dan reformasi* during the decade leading to Suharto’s resignation is twofold. First is the importance Gramsci placed upon the moral and intellectual (ideological) arrangements that occur in modern capitalist societies through power structures and processes, and the second is the implications for hegemony in failing to sustain critical socio-political alliances and mutual interests by assimilating subordinate interests from below. Gramsci’s attention to the socio-political use of ideology in sustaining domination through the structures of state, civil society, and the economy, highlights the particular relevance of his model to an explanation of the rise and fall of the Suharto New Order regime. Gramsci’s thoughts are also relevant in terms of assessing the likelihood of a coherent counter-hegemony evolving during the 1990s to challenge Suharto’s domination. In this context, Gramsci’s theories draw attention to attempts by oppositional traditional intellectuals from both Islam and secular-nationalism to contest the New Order’s exclusive albeit unifying representation and meaning of *Pancasila* to solidify around an alternative, potentially cohesive, counter-hegemonic rendering of ideology.

Thus although Gramsci’s Marxist critique was framed by the socio-political environment of 1920s and 1930s Italy his thoughts were heavily influenced by observations of the challenges that confront state-building and cultural unification when modernizing states endeavoured to respond to dynamic mass politics. Constructing a unitary Indonesian republic on a foundation of societal stability and economic growth (through an authoritarian-developmental regime employing the unifying ideological doctrinaire of a device such as *Pancasila*) would seem to sit

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<sup>58</sup> Carl Boggs, ‘What Gramsci Means Today’, in Douglas Dowd, (Ed.), *Understanding Capitalism: Cultural Analysis from Karl Marx to Amartya Sen*, (Pluto Press, London, 2002), p. 67.

<sup>59</sup> Ransome (1992) pp. 150-1.

<sup>60</sup> Ransome (1992) p. 162.

comfortably upon Gramsci's intellectual and political terrain. Moreover, the crisis of hegemony that he attributed to the mass politics of challenge was starkly apparent in the political scrambling and realignment of interests and values that took place among Indonesia's socio-political elites during the 1990s as establishment interests came to contemplate a post-Suharto environment of potential socio-political chaos.

Two factors are important in explaining how the Suharto New Order dominated Indonesian society for three decades. First, the regime determined from the outset that socio-political and economic development could not be achieved without strict societal control and stability and concluded that control could be achieved through legitimate socio-political structures and processes. The regime also realized that creating durable devices would require arrangements among *all* of Indonesian society's relevant interest groups. The resulting hegemonic pact of dominance over society allied, negotiated, and regularly adjusted key elite interests as well as the masses around the sanctity of *Pancasila* as an instrument of ideological unity. While Gramsci was conscious of Italian middle class fears of mass mobilization and working-class revolution during the post-WW1 decades, the Indonesian ruling elites of the post-independence era similarly distrusted grass-roots political mobilization. While the Italian middle class supported Fascism to counter mass mobilization and revolution, the post-Sukarno Indonesian ruling order, expressing similar fears, reached out to the traditional political opposition of rural Islam to counter this fear and its likely impact upon socio-political stability. Hegemonic order is able to arrange a complex array of forces behind the state and the Gramscian model facilitates understanding of the particular characteristics of these forces by offering a perspective that accounts for the behaviour of those who choose to rule and the means by which they ameliorate potential opposition to their rule.

A Gramscian project implies that a leadership responds to the crises before it, such as the Suharto New Order faced during the 1990s, by sustaining itself through revitalizing its legitimizing discourse and re-configuring necessary alliances horizontally and vertically. Responding to the changing socio-political realities therefore required the New Order to re-negotiate popular understandings of *Pancasila* and, to borrow from Gramsci, re-emphasize the role of the dominant classes' "active political agents" and institutions through culture, intellectuals, state apparatuses and

ideology rather than employing simple coercion.<sup>61</sup> Suharto responded and offered unprecedented socio-political influence to previously de-politicized Islam by sponsoring the influential modernist Islamic intellectual association ICMI.<sup>62</sup> Gramsci has therefore as much to say about re-configuring and re-aligning political groups and their interests in the face of crisis and transition, as he has to say about political domination in general. In identifying that which is specific and different about socio-political crisis he shows how different forces can come together to create a new socio-political environment and shape themselves around new and different socio-political realities.<sup>63</sup> What the Gramscian model also emphasizes is that hegemonic crisis is the time for socio-political reconstruction and that comprehending new socio-political environments during times of crisis requires not only necessary shifts within the alliances that underpin hegemonic order, but a questioning of the basis of moral and intellectual leadership, the formative coercive role of the state and, crucially, sustaining the ongoing willing consent of the masses.

### ***1.3 Political ideology: Gramsci and Marx***

“[P]olitical ideology is intended to unite people in political organisation for effective political action ... the goal of ideology is to arouse feelings and to incite action, and the power of an ideology derives from its capacity to capture the human imagination and mobilise and unleash human energies.”<sup>64</sup>

A somewhat pernicious view of ideology has it promoting a system of thought capable of institutionalising systemic falsehood in the “selfish interest of [the] powerful and malign forces” that dominate a particular historic period.<sup>65</sup> Ideology can be inculcated by the powerful through conscious manipulation as a profitable and potentially deceptive tool of civil power. It would be a mistake to understate the symbolism that may be evoked through its use to craft mass consciousness to compliance. As Machiavelli put it: “the general mass of man are satisfied with appearances ... and many times are moved by the things which appear to be rather

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<sup>61</sup> Roger Simon, *Gramsci's Political Thought: An Introduction*, (Lawrence and Wishart, London, 1991), p. 118.

<sup>62</sup> *Ikatan Cendekiawan Muslim Indonesia* (ICMI), the Association of Modernist Islamic Intellectuals of Indonesia formed in 1990/1.

<sup>63</sup> Simon, 1991, p. 116.

<sup>64</sup> Reo. M. Christenson, *Ideologies and Modern Politics*, (Dodd Mead, New York, 1971), p. 6.

<sup>65</sup> David Hawkes, *Ideology*, (Routledge, New York, 1996), p. 12.

than by the things that are.”<sup>66</sup> Appropriately, the intellectualisation of ideology as a process by which the mind translates material things into ideal forms had an inauspicious beginning against the background of the French Terror. Under its academic director, renegade aristocrat and political survivor, Destutt de Tracy, the study of ideology was given institutional form at Paris’s *Institut de France* as “Ideologie: the science of ideas”.<sup>67</sup>

Man’s ideas (his consciousness) are liable to change as a result of the conditions of his existence but Marx’s observation is pertinent: the ideas that rule during each age have “ever been the ideas of its ruling class.”<sup>68</sup> Guided by Marx, and his own understanding of the philosophy of *praxis*, Gramsci formulated a methodology that represented social politics as reality rather than the speculative dialectic philosophy he felt dominated Marxist thought.<sup>69</sup> Gramsci’s alternative approach turned to ideology tied to culture and its influence upon socio-political behaviour with his analysis advancing an understanding of hegemony beyond what he considered to be the inherent limitations placed upon it by traditional Marxism. Disavowing the primacy of Marx’s historic materialism and its pre-occupation with economic explanations, Gramsci took a basically anti-economistic stance and by emphasising the importance of ideology, as Mouffe put it, gave his concept of hegemony “intelligibility”.<sup>70</sup> Marx had shown little sensitivity to ideology’s cultural potential and treated it as a mere belief system, giving little weight to such non-economic factors as ideology and culture in the reproduction of social relations.<sup>71</sup> Attempting to come to terms with the failure of the Turin workers’ movement Gramsci rejected materialist determinism and sought answers to the control the

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<sup>66</sup> Translated by Anthony J. Pancini, Niccolo Machiavelli; *Discourses*, in *Works*, Vol. 11, (Greenvale Press, Greenvale, 1969), p. 330.

<sup>67</sup> Hawkes, (1996), p. 55. Andrew Vincent, *Modern Political Ideologies*, (Blackwell, Oxford, 1992), pp. 1-3.

<sup>68</sup> Karl Marx and Frederick Engels, *The Communist Manifesto*, (Oxford United Press, Oxford, 1992), p. 24.

<sup>69</sup> Originally a philosophical concept of practical activity, Gramsci attached his own meaning to the ‘philosophy of *praxis*’ as a ‘common sense’ form of Marxism. Ever opposed to mechanistic deformations of Marxism Gramsci used the term to differentiate reality from speculative philosophy. Antonio Gramsci, ‘Historical materialism and the philosophy of Benedetto Croce’ in *Gramsci: Opere*, (Einaudi, Turin, 1948), Vol.2, pp. 119-168. Adolfo Sanchez Vazquez, *The Philosophy of Praxis*, (Merlin, London, 1977), pp. 32-3.

<sup>70</sup> Chantal Mouffe, ‘Hegemony and Ideology in Gramsci’, in Chantal Mouffe, (Ed.), *Gramsci and Marxist Theory*, (Routledge and Kegan Paul, London, 1979), p. 178. Luciano Pellicani, *Gramsci: An Alternative Communism?* (Hoover Institute Press, Stanford, 1981), pp. 29-30.

<sup>71</sup> Ransome describes Marx’s underestimation of the influence of non-economic factors of social relations and political consciousness as leading to an overly simplistic model of cause-and-effect that reduced the matter to the simple equation, ‘work=alienation=revolution’. Ransome, (1992), p. 113.

capitalist state appeared to hold over its people from within the nature of ideology itself. His observations advanced a concept of hegemony that, rather than considering the ascent of a class to a position of dominance as mere economic affirmation (Marx's historical materialism), offered an understanding of hegemony characterised by the moral and intellectual superiority a class acquires by its crafting and disseminating ideology to discipline, inform, and govern the masses.<sup>72</sup> He did draw from Marx an historical understanding of social politics to which he was able to apply the notion of ideological crafting in arriving at a more realistic or, as he preferred to put it, 'common sense', way of understanding socio-political interaction. By so doing, Gramsci was exhibiting a more compassionate view of the individual as a human being that earned him a reputation as a "humanistic Marxist".<sup>73</sup> Departing from Marx's economistic approach to ideology as just another element of historical materialism, Gramsci offers ideology as a "determining practice" when it is firmly institutionalised within a society through the state's legitimate socio-political apparatuses.<sup>74</sup> What is therefore important about Gramsci's analysis and pertinent to this research is the role ideology plays in framing and sustaining hegemonic order.

Gramsci read into Marx's 1859 preface to *A Contribution to the Critique of Political Economy* that changing socio-economic circumstances do not of themselves actually produce political change, but only set the conditions in which such changes can become possible.<sup>75</sup> For Gramsci the crucial factor in bringing about these changes is the dispersal of political power which is determined by the amount of political organization, the combativeness of the opposing socio-political forces, the strength of the political alliances that can be conjured up, and the level of mass political and ideological consciousness. Gramsci's central concept of hegemony developed around these issues but it was his understanding that before significant change could occur for hegemony to take hold, moral and intellectual leadership needed to be willingly established over those ruled.<sup>76</sup> Gramscian hegemonic order is therefore best defined as actively created *direzione* across an historic period (an historic bloc comprising three distinct economic, political, and ideological

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<sup>72</sup> Pellicani, (1981), pp. 31-2.

<sup>73</sup> Vincent, (1992), p. 96.

<sup>74</sup> Mouffe, (1979), pp. 187-8.

<sup>75</sup> Gramsci, *Collected Works*, Vol. 29, p. 263.

<sup>76</sup> Antonio Gramsci, *Selections from the Prison Notebooks*, translated by G. Hoare and G. Nowell Smith, (Eds.), (Lawrence and Wishart, London, 1971), p. 55.



“constituent elements”) through which the masses willingly acknowledge the legitimacy of the dominant class’s moral and intellectual leadership.<sup>77</sup>

Organising Gramsci’s socio-political, economic, and ideological arrangement of the state required tasking intellectuals with creating and assimilating into mass consciousness processes that legitimized a particular hegemony’s ideas and politico-economic foundations.<sup>78</sup> The process required intellectuals promoting their sponsoring class’s hegemony by actively gaining the support of subordinate groups to their own effective domination. As well as complementing the Marxist prerogative of close involvement in the broad demands of economic production, Gramsci’s intellectual (for example his entrepreneur, religious teachers, economists, and professional soldiers) needed to take a prominent role in socio-political affairs.<sup>79</sup> The resulting hegemonic processes enabled a leadership to weld moral and intellectual/ideological acceptance without the distractions of what Gramsci considered to be Marxism’s interminable internal contradictions.<sup>80</sup>

#### ***1.4 Gramscian hegemony***

Fontana’s definition of Gramscian hegemony succinctly expresses the notion’s causal association with ideology:

“A social group or class can be seen to have assumed a hegemonic role to the extent that it articulates and proliferates throughout society cultural and ideological belief systems ... accepted as universally valid by the general population”.<sup>81</sup>

Gramsci is best known for his thoughts on hegemony and his concept has two related meanings: it is both a “consensually-based political system” but it also indicates that a “level of class consciousness” has been achieved wherein class is understood both economically and in terms of a common moral and intellectual

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<sup>77</sup> Ransome, (1992), p.136. Anne Showstack Sassoon, *Gramsci’s Politics*, (St. Martin’s Press, New York, 1980), p. 14.

<sup>78</sup> Renate Holub, *Antonio Gramsci: Beyond Marxism and Postmodernism*, (Routledge, London, 1992), p. 25.

<sup>79</sup> Within the broad ranks of Gramsci’s intellectuals must be included those ‘that perform organizational functions in the broader sense, whether in the field of production, or culture, or public administration’, Valentino Gerratana, (Ed.), Antonio Gramsci, *Quardeni del Carcere, Vol. 1*, (Einaudi, Torino, 1975), p. 37.

<sup>80</sup> Hoare and Nowell Smith, (1971), p.168. Marx’s historic materialism described human behaviour as influenced over an historic period by *material* conditions the circumstances of which had to be altered if human nature and thus behaviour was to be modified. Contradictions arose out of historic materialism’s ‘deterministic’ criteria that insisted it all depended upon the particular stage an economy had reached.

<sup>81</sup> Benedetto Fontana, *Hegemony and Power: on the Relationship Between Gramsci and Machiavelli*. (University of Minnesota Press, London, 1993), p. 140.

awareness.<sup>82</sup> Not a mere historical and social analytical tool, Gramscian hegemony is intended to be a guiding concept for political practice that prioritizes hegemony over domination as socio-political control in, significantly, the “arena ... of the parliamentary regime”.<sup>83</sup> Reflecting the influence of Marx’s materialist determination, Gramsci’s hegemonic socio-political arrangements require the dominant group exercising its authority over the state’s economic processes. Gramsci refused to accept Marx’s implication that social order had to come about entirely through coercive processes. He preferred, as Eugene Genovese put it, to judge a ruling class as hegemonic when it convinced the subordinate classes that the moral and intellectual legitimacy of its hegemony reflected a “flexible, comprehensive, and meditative world-view”.<sup>84</sup> A. Gwynn Williams offers a further helpful definition of Gramscian hegemony by suggesting that it is an arrangement in which “a certain way of life and thought is dominant, in which one concept of reality is diffused throughout society in all its institutional and private manifestations informing with its spirit all taste, morality, customs, religious and political principles, particularly in their intellectual and moral connotations”.<sup>85</sup> Securing such an arrangement required an accepted and binding ideology capable of unifying all classes behind the dominant order’s world-view by convincing society of its intellectual and moral legitimacy.

To Gramsci the modern capitalist industrial state’s balancing of political and civil society (and thus class interests) represented the reality that one particular social group had successfully achieved politico-economic and ideological hegemony over the entire nation.<sup>86</sup> But he did not believe that the nature of the state could be fully understood without a thorough understanding of how the state influenced societal behaviour. What was also significant about Gramsci’s observations was that hegemonic order could only follow when the power a dominant class and its representatives exercised over subordinate classes balanced coercion with persuasion without domination coming about predominantly through an emphasis on coercion.

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<sup>82</sup> Walter L. Adamson, *Hegemony and Revolution: A Study of Antonio Gramsci’s Political and Cultural Theory*, (University of California Press, London, 1980), pp. 170-1.

<sup>83</sup> Gerratana, (1975), p.1638. Joseph V. Femia, *Gramsci’s Political Thought: Hegemony, Consciousness, and the Revolutionary Process*, (Clarendon Press, Oxford, 1981), p. 50. Adamson, (1980), p. 173.

<sup>84</sup> Cited in M. I. Finley, *Democracy, Ancient and Modern*, (Rutgers University Press, New Brunswick, 1973), p. 65.

<sup>85</sup> A. Gwynn Williams, ‘The Concept of *Egomania* in the Thought of Antonio Gramsci: Some Notes on Interpretation’, *Journal of the History of Ideas*, Vol. 2, No. 4, (Oct-Dec., 1960), p. 587.

<sup>86</sup> *Antonio Gramsci: Letters From Prison*, quoted in Christine Buci-Glucksmann, in *Gramsci and the State*, (Lawrence and Wishart, London, 1980), p. 20.

Moreover, hegemonic order requires that the prioritizing of consent be organized through the artifices of directive political and ideological leadership and the legitimate institutions of the state. Rather than being spontaneous, Gramscian hegemony entails a predominantly arranged consensual form of social control actively created through *direzione* or effective leadership.<sup>87</sup>

Although Gramsci offers the idea of hegemony in a variety of forms and contexts he most frequently uses the term to describe social and political control that combines physical force (coercion) with intellectual, moral, and cultural persuasion (consent).<sup>88</sup> This duality of coercion and consent is the very essence of Gramscian hegemony and describes how a dominant group in modern society not only overcomes opposition forcefully but also how it gains the voluntary and consensual support of subordinate groups through such persuasive techniques as co-operation, co-optation, and compromise. While hegemonic consent is arrived at largely peacefully, physical force can be used to support it against a dissident minority as long as the majority acquiesces. By complimenting *direzione* with an effectively disseminated rendering of ideology, a dominant class is able to claim the legitimacy of its ideological leadership. Acquiring societal support through such a schema implies that the dominant group has successfully persuaded subordinate groups to accept the ruling order's norms and values as legitimately dominant.<sup>89</sup> By persuading society's subordinate classes "to accept [the state's] moral, political and cultural values" as legitimately representing society's best interests, the ruling order is deemed to be hegemonic.<sup>90</sup> Social group (or class) supremacy has thus manifested itself through the combination of domination or coercion, with moral and intellectual leadership. But it is significant that it is the moral and intellectual aspect of leadership that represents the ideological right to domination and constituting the basis of Gramscian hegemony.<sup>91</sup> The social control necessary to maintain authority has come about through two basic processes of influencing behaviour: on the one hand, "reward and punishment" and, on the other, a moulding of "personal convictions into a replica of [elite-driven] norms".<sup>92</sup>

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<sup>87</sup> Ransome, (1992), p. 136.

<sup>88</sup> Hoare and Nowell Smith, (1971), pp. 57-8.

<sup>89</sup> Ransome, (1992), p. 135.

<sup>90</sup> James Joll, *Antonio Gramsci*, (Viking Press, New York, 1977), p. 129..

<sup>91</sup> *Opere di Antonio Gramsci*, (Turin, Einaudi, 1947-72), Vol. 4, 'Il Risorgimento', 1949, p. 70.

<sup>92</sup> Femia, (1981), p. 24.

The balancing of coercion with persuasion that is the substance of Gramsci's hegemonic order, and the means by which the ruling class's representatives exercise control over subordinate classes, not only requires ongoing ideological refurbishment processes to sustain moral and intellectual legitimacy but processes must respond to actual conditions existing at any particular time. A dominant order must react to new socio-political realities by constantly re-affirming its hegemony. As necessary, hegemony must update consent with *new and changing patterns of alliances* through active political and ideological leadership rather than simply dominate through force. As Femia puts it, hegemony can only be sustained by constantly reaffirming the consensual arrangements of socio-political control that underwrite intellectual and moral leadership.<sup>93</sup> As hegemony is first and foremost an ongoing historic affair so the hierarchical articulation of social forces representing stable hegemony last only as long as the cohesion of the alliances upon which the bloc is built can be sustained.<sup>94</sup> While a genuine national-popular consciousness of ideological unity may exist "energetically defused throughout society" there might, nonetheless, be considerable variation between the amount of pervasiveness and systemization of the hegemonic state apparatuses and the degree of participation they are able to foster.<sup>95</sup> While the moral legitimacy defining Gramscian hegemony comes from the peoples' spontaneous consent to the general direction imposed on national life by the dominant fundamental group the trust accrued comes primarily through the dominant group's "position and function in [and over] the world of production".<sup>96</sup>

Exercised in a parliamentary environment, characterized by a combination of legitimate coercion/force and consent/compromise (without the former dominating the later) it is implied that society has consented through the normal outlets and institutions of public expression to an appropriate level of force being used against it when necessary.<sup>97</sup> The duality of coercion and consent by which the dominant group in a modern society either overcomes opposition with physical force, or gains subordinate voluntary and consensual support through persuasive techniques (co-operation, co-optation, and compromise) defines Gramscian hegemony but because of the societal consent element there must be a moral limit placed upon

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<sup>93</sup> Femia, (1981), p. 26.

<sup>94</sup> Pellicani, (1981), p. 32.

<sup>95</sup> Gerratana, (1975), p. 1380. Adamson, (1980), p. 174.

<sup>96</sup> Caprioglio and Fubini, (Eds.), *Opere di Antonio Gramsci, vol. 3, Gli intellettuali e organizzazione della cultura*, 1949, cited in Femia, (1981), p. 42.

<sup>97</sup> Hoare and Nowell Smith, (1971), p. 80.

the use of force and the legitimacy of a ruling order's right to extensive socio-political authority. Considering how Gramscian hegemonic order demands that the relevant institutions reflect all of the values, norms of behaviour, perceptions, and beliefs that represent and define the structures of the ruling order's central authority, such matters are important.<sup>98</sup> Such considerations, and their analysis, can be problematic considering that hegemonically derived consensual social control has not occurred spontaneously but through what Gramsci calls *direzione* or positive leadership.<sup>99</sup>

### ***1.5 Hegemony and ideology***

Gramsci insisted on identifying culture closely with ideology and saw ideology as really an expression of culture expressed to represent and promote the interests of a particular class. For Gramsci the function of hegemony is to transpose ideology into culture as a world-view that is regarded as normal and natural by everyone from the controlling class to the subordinate classes. In doing so, Gramsci's concept of hegemony possesses two related dimensions, the one identifying the consensual basis of social politics within civil society, and the other referring to the stage of political development where a dominant order's view of common culture or ideology has attained a collective intellectual and moral acceptance within the national consciousness.<sup>100</sup> Both dimensions demand that society's subordinate ideologies be transformed and re-articulated into the dominant group's own overriding ideology with the transformed view accepted by society as generally representing a "coherent world-view ... sufficiently flexible, comprehensive, and mediatory" convincing those ruled that their domination is consensual and thus legitimate.<sup>101</sup>

Approaching ideology as a philosophy of *praxis* (behaviour and practice) also enabled Gramsci to identify similarities between religion's world-view of norms of behaviour and socio-political ideology as they both organize the masses into collective action.<sup>102</sup> Because of its historically roots in civil society, Gramsci saw the potential ideology offered to institutionalize hegemony and thus saw ideology as more

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<sup>98</sup> Femia, (1981), p. 36.

<sup>99</sup> Ransome, (1992), p. 136.

<sup>100</sup> Adamson, (1980), pp. 170-1.

<sup>101</sup> M. I. Finley, *Democracy, Ancient and Modern*, (Rutgers University Press, New Brunswick, 1973), p. 65.

<sup>102</sup> Mouffe, (1979), p. 186.

than a means to simply justify power but, through its ability to collaborate in forming new sources of power, an instrument capable of creating a “new history”.<sup>103</sup> As Gramsci put it, ideologies have the “energies of a material force” and in the environment of the historic bloc “material forces become the content [of hegemony] and ideologies the form”.<sup>104</sup> His conception of hegemonic order thus matured from the simple alliance of his earlier writings (and those of Marx) into a complete fusion of mutually inclusive economic, political, and intellectual factors drawn together by an ideological representation that legitimized a ruling order’s socio-political objectives.<sup>105</sup>

In disavowing Marxism’s historical materialism and diverging from the notion that a class’s ascent to rule was merely “an economic affirmation” Gramsci went further in arguing that common socio-economic position was insufficient to give that class “distinction’ and independence” over the rest of society.<sup>106</sup> True hegemony could only come about when a class had transformed itself into a “political force of national standing” by gaining societal acceptance of their ideological legitimacy.<sup>107</sup> Hegemonic ideology must be comprehensive and reflect more than mere economic interests. It requires that the ruling class escape the confines of its own purely corporate and economic interests and extend itself socio-politically to appeal to mass consciousness by infusing broader, subordinate, needs and aspirations. For Gramsci a ruling order has not attained hegemony until it has institutionalized the consent of all other groups through a managed synthesis of all economic, political, and moral/intellectual needs. Without such consensus society has no ethical/political direction and authority is merely one of “precarious domination by force”.<sup>108</sup> Gramscian hegemony, ultimately and essentially, must be based on the consent of the subordinate classes.<sup>109</sup> Tamburrano puts it tidily by suggesting that Gramscian hegemonic consent is best expressed as the masses accepting that the intellectual and moral direction, by which they are permanently tied to the political leadership and ideology of the state, genuinely represents the mass beliefs and aspirations of the

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<sup>103</sup> Norberto Bobbio, ‘Gramsci and the conception of civil society’, in editor Chantal Mouffe, *Gramsci and Marxist Theory*, (Routledge and Kegan Paul, London, 1979), p. 36.

<sup>104</sup> Hoare and Nowell Smith, (1971), p. 377.

<sup>105</sup> Gerratana, (1975), p. 1584.

<sup>106</sup> Pellicani, (1981), p. 31.

<sup>107</sup> Pellicani, (1981), p. 30.

<sup>108</sup> Pellicani, (1981), p. 31.

<sup>109</sup> Gerratana, (1975), pp. 236-8.

majority.<sup>110</sup> Not only must the ruling class co-opt elements from below but it must take care to absorb those issues that are potentially problematic for the achievement of prime socio-political and economic agendas.<sup>111</sup> Only as long as a ruling class is able to co-opt and sustain subordinate consent to its agendas does a class remain hegemonic. Because it provides the right to extensive political authority, consensus reached through society's acknowledgement of a dominant order's moral and intellectual legitimacy becomes a solid foundation for hegemony but Gramsci's understandings of the concept does place a moral limit on that authority. Although morally and intellectually restraining, consensus must therefore give some attention to such issues as how benefits are to be allocated, the permissible range of societal disagreement, and the institutions through which these issues are to be negotiated. All must reflect the values, norms, perceptions, and beliefs that define the structures of central authority.<sup>112</sup>

Gramscian hegemony is therefore based upon two specific arrangements of socio-political life: on strategic alliances and concessions to subsidiary groups, and through the ruling order articulating the moral, political, and intellectual legitimacy of its prime interests and values through ideological discourse. Leadership of this nature is premised upon an acknowledgement by the ruled that the ruler's exclusively derived ideology has assimilated subordinate values and represents a general national interest. Hegemonic ideology must also have drawn constituent elements out of a plethora of diverse societal interests and although it is always the prerogative of the hegemonic group to articulate the substance of ideology, the result must essentially unify.<sup>113</sup> As the hegemonic elites retain their own cultural identity (their own values and beliefs) as primary, the demands of subordinate groups become little more than accommodated by the dominant group.<sup>114</sup> In Gramscian usage, hegemony always conveys this important aspect of ideological accommodation so that a hegemonic class enjoys the self-satisfaction of knowing that the majority of the ruled have accepted its version of the "national popular" as best expressing their own, albeit

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<sup>110</sup> Guisepe Tamburrano, *Gramsci ne l'egenonia del prolieroiato* in 'Studi Gramsciani', *Atti del contegno a Roma nei giorni 11-13 Gennaio 1958*, (Editori Riuniti, Roma, 1959), p. 282.

<sup>111</sup> Dante Germino, *Antonio Gramsci: Architect of a New Politics*, (Louisiana State University, London, 1990), pp. 216-7.

<sup>112</sup> Femia, (1981), p. 36.

<sup>113</sup> Muthia Alagappa, (Ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*, (Stanford Press, Stanford, 1995), p. 17.

<sup>114</sup> Alagappa, (1995), p. 322.

subordinate, interests.<sup>115</sup> Hegemonic preferences set by a ruling order through highly developed institutions of political socialization can therefore become difficult for the general mass consciousness to “demystify” and their ideological subordination difficult to question.<sup>116</sup>

### ***1.6 Hegemonic legitimacy and counter-hegemony***

The leading groups strive for moral legitimacy and through compromise and the assimilation of subordinate groups’ more acceptable ideas and values, negotiate the direction their leadership is taking. But hegemonic legitimacy demands that the leading social group not only influence the plethora of interests that inform mass consciousness but also constantly respond to them. Hegemony must not merely reflect elite interests but offer an elite construct of ideas that acknowledges moral and intellectual leadership and unless the dominant group continues to appear to represent the values of the national will its hegemonic legitimacy suffer obsolescence and decay.<sup>117</sup> Permanent, stable hegemony can only be assured if that national will is sustained by the dominant groups’ ongoing willingness to re-negotiate its particular cultural and moral view into the national consciousness whenever necessary.<sup>118</sup> When Gramsci links hegemonic legitimacy to the idea of popular consent in the domination of particular social groups and classes, he seems to be echoing Machiavelli’s notion of hegemonic legitimacy also derived from a relative balance of force and consent. Gramsci’s more balanced concept of hegemony, however, is protected by what he describes as the veritable “armour of coercion” inherent in the institutions of the modern state.<sup>119</sup>

Critical to ongoing consent in maintaining bloc legitimacy is the use of ideology as the discourse of re-negotiation. As well as being primarily responsible for morally and intellectually underpinning Gramscian hegemonic order, ideology not only possesses a material nature but also constitutes a series of practices that are quite compatible with the institutions of the contemporary capitalist state.<sup>120</sup> As discussed

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<sup>115</sup> Femia, (1981), p. 25. Chantal Mouffe, ‘Hegemony and Ideology in Gramsci’ in C. Mouffe, (Ed.), *Gramsci and Marxist Theory*, (Routledge, London, 1979), p. 195.

<sup>116</sup> Femia, (1981), p. 56.

<sup>117</sup> Alagappa, (1995), p. 17.

<sup>118</sup> Fontana, (1993), p. 145.

<sup>119</sup> Translated by J. Buttigieg, (Ed.), *Antonio Gramsci: Prison Notebooks* (Columbia University Press, New York, 1992), Notebook #6, paragraph #88.

<sup>120</sup> Mouffe, (1979), pp. 187-8.



below, Gramsci's intellectual provides the discourse that enables ideology to effectively bind the economic, political, and intellectual/moral leadership legitimizing a hegemonic arrangement.<sup>121</sup> Hegemony acquired through the ideological unity of a national collective consciousness can effectively transform the ideologies of society's subordinate groups and re-articulate them as those of the dominant group. Re-articulated ideology, "sufficiently flexible, comprehensive, and mediatory", may then be mediated to convince those ruled that they continue to consent to their domination and thus rule remains legitimate.<sup>122</sup> But the ruling order's hierarchical re-articulation of social forces lasts only as long as it is able to sustain the cohesive ideological alliances on which its hegemony is built.<sup>123</sup> Should hegemonic challenge actually take place, it does so within the socio-political terrain of political and ideological debate.

Gramsci's goal, one he realized would be an enormously complicated and difficult task, was to build an understanding of a stabilizing and unifying method of going about participatory politics in a modern, pluralist, capitalist society. His understanding of hegemony, wielded by the power of the state through an intricate interweaving of culture and politics offered a theoretical tool that could enable explaining and evaluating how a disparate, divided, social reality could be legitimately drawn together into a cohesive unity. In Gramsci's schema the ideological component of hegemony implied that the majority of the people viewed the way hegemony was being wielded as a common sense approach to going about modern politics or, put another way, that their society's disparate array of interests had been organized and unified in a way that benefited the majority of the people. Using the familiar Marxist language of class, Gramscian hegemony was therefore complete when one class had succeeded in persuading subordinate classes to accept the hegemonic order's moral, political, and cultural ideas as representing the best interests of society at large. Gramsci constantly pointed out that hegemony must never be taken for granted. The broad, diverse, and dynamic plurality of interests that are a feature of modern industrializing societies require hegemony's constant readjustment and only through ongoing renegotiation will the masses remain

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<sup>121</sup> David McLellan, *Marxism after Marx*, (McMillan, London, 1998), p. 202.

<sup>122</sup> Finley, (1973), p. 65.

<sup>123</sup> Pellicani, (1981), p. 32.

voluntarily assimilated into an organized world-view that has been imposed upon them by the dominant classes.

Gramsci thus has much to say about the likely emergence of an effective counter-hegemony based upon an alternative rendering of ideology. Only as long as hegemonic order is able to sustain subordinate consent to its agendas and the cohesive ideological alliances upon which hegemony has been constructed, does it remain hegemonic.<sup>124</sup> Counter-hegemony can evolve out of such issues as a questioning of the allocation of benefits, the allowable range of societal agreement based upon the legitimacy of the hegemonic representation of ideology, and the effectiveness of the institutions through which societal agreement is negotiated.<sup>125</sup> For Gramsci, a coherent counter-hegemony can nurture itself in a socio-political environment where the collective consciousness has come to “demystify their ideological subordination”.<sup>126</sup> But a successful counter-hegemony would not necessarily, as Mouffe put it, require replacing the hegemonic order’s representation of ideology, its world-view, “with a completely new and already formulated one”; processes that transformed and re-articulated “existing ideological elements” would suffice as long as they could be organized socio-politically and legitimately.<sup>127</sup> The likelihood of an emergent counter-hegemony is therefore tied to the issue of hegemonic legitimacy which in turn is tied to the effectiveness of hegemonic response to changing socio-political and economic realities. To be successful, an emergent counter-hegemonic social group or alliance must compete for, and win, the hearts and minds of the masses across all three levels of economic, political, and ideological consciousness.

### ***1.7 Gramsci’s temporal power arrangement: his ‘historic bloc’***

Gramsci’s historic bloc provides a temporal analytical concept for explaining hegemonic order’s domination of subsidiary groups in contemporary developing capitalist/industrial societies across all aspects of socio-political order.<sup>128</sup> According to Gramsci, the type of state that arises out of a specific economic era must in the first instance assuage the contradictions and antagonisms existing between the

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<sup>124</sup> Pellicani, (1981), p. 32.

<sup>125</sup> Femia, (1981), pp. 36-7.

<sup>126</sup> Cited in Femia, (1981), p. 56.

<sup>127</sup> Mouffe, (1979), p. 168.

<sup>128</sup> Ransome, (1992), p. 138.

classes that possess the means of production with those that do not.<sup>129</sup> He defines this era during which the creative energies of ideology form the intellectual structure of the state, as an historic bloc.<sup>130</sup> The Gramscian historic bloc denotes a hegemonic unity, and for methodological and analytical purposes comprises overlapping, yet distinct, economic, political, and ideological forms.<sup>131</sup> It is the latter form, the ideological bloc that represents the terrain upon which Gramsci's society undergoes the conscious intellectual struggle and competition out of which hegemony evolves. Stressing as it does the economic, political, and ideological expressions of a particular society, his historic bloc expresses hegemonic concepts not only through each of the three sphere's (or form's) impact upon each other, but through processes by which each represent "partial totalities of potentially equal significance" that come together (and drift apart) depending upon socio-political forces at a particular time.<sup>132</sup>

As a Marxist, Gramsci depicted the subject matter of history as politics, culture, and morality, underpinned by an economic continuity defined by complex and contradictory relations and struggles around "social relations of production".<sup>133</sup> Although he accepted Marxist understanding of the historic bloc as hegemonic order constructed around complex historical processes of economic-based interaction among elites and sub-elites, Gramsci's historic bloc departs sufficiently from economics to place emphasis on the power aspect of societal relationships. On occasion Gramsci actually replaces the term 'historic bloc' with the alternative 'power bloc' to describe the type of socio-political relationships that he believes state-class accommodations and ideological negotiations entail.<sup>134</sup> Rather than accepting the Marxist/Leninist idea of the state as a mere coercive tool, Gramsci sees the necessary accommodations and negotiations of hegemonic order that take place across the historic bloc as determined through a combination of authoritarianism and an emphasis on his more benign hegemonic legitimacy.

As a cohesive and purposeful alliance of social groups and their aspirations over a time period, Gramsci's historic bloc has three mutually inclusive, overlapping, elements or components: economic, political, and intellectual/ideological

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<sup>129</sup> Franz Jakubowski, *Ideology and Superstructure in Historical Materialism*, (Pluto Press, London, 1976), pp. 40-1.

<sup>130</sup> Jakubowski, (1976), pp. 52-3.

<sup>131</sup> Nicos Poulantzas, *Political Power and Social Classes*, (New Left Books, London, 1973), pp. 63-64.

<sup>132</sup> Adamson, (1980), p. 179.

<sup>133</sup> Esteve Morera, *Gramsci's Historicism: A Realist Interpretation*, (Routledge, London, 1990), pp. 188-9.

<sup>134</sup> Sassoon, (1980), p. 121.

forms. In other words, the historic bloc is a temporal sequence of transient alliances incorporating economics, politics, to explain “different social forces relat[ing] to each other” in hegemonic alliance arrangements.<sup>135</sup> For Gramsci, hegemonic order evolves out of an organically linked historical-social formation that is articulated through economics and politics (the content) and ideologies (the form).<sup>136</sup> Across a broad array of economic, ideological/intellectual, and coercive/consensual (mixed with democratic procedures) influences the historical/structural configuration of the historic bloc enables power holders to organize the nation in a way designed to legitimize the ideological superiority of their rule.

It is therefore necessary to understand the processes of Gramsci’s historic bloc as an elite class advancing its hegemony through the political economy of its choosing legitimized by its ability to maintain socio-political consensus and cohesion. While the systemic nature of the historic bloc and the complex power relations entailed are those of an elite class dominating other groups in a social system over an historic period, what is particular about the bloc is that its constituent elements are bound together by Gramsci’s dominant class sustaining its moral and intellectual supremacy through their representation of ideology.<sup>137</sup>

### ***1.8 The site of hegemonic contestation***

Gramscian hegemony exercises its coercive power through repressive state apparati, but its predominantly consensual aspects occur through the institutions of everyday life (civil society), political parties, trade unions, the church, and the media.<sup>138</sup> The site of hegemonic contestation, the terrain in which an ascendant social group or alliance nurtures its hegemony by constructing dual coercive/consensual strategies, is the twin, overlapping, realms of civil society and political society (the state).<sup>139</sup> To Gramsci, civil society was the private world and where consensual hegemony was to be nurtured, while political society/the state was the public world of coercion and domination. Direct command takes place through the representations of “state and juridical government” while the ruled consensually perceive, evaluate, and

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<sup>135</sup> Sassoon, (1980), pp. 120-1.

<sup>136</sup> Antonio Gramsci, *Prison Notebooks*, translated by J. Buttigieg, (Ed.), (Columbia University, Press, New York, 1992), notebook #8, para. #182.

<sup>137</sup> Morera, (1990), p. 190. Ransome, (1992), p.136. Sassoon, (1980), p. 14.

<sup>138</sup> Terry Robson, *The State and Community Action*, (Pluto Press, London, 2000), p. 19.

<sup>139</sup> Hoare and Nowell Smith, (1971), p. 12.

manage everyday socio-political reality in a civil society broadened by a vast assortment of associational institutions.<sup>140</sup> Gramsci further distinguishes between the public institutions of the state and civil society by pointing to the latter as where class hegemony is actually exercised: within civil society among political parties, religious organizations, trade unions, and intellectual and cultural organizations, and through civil society by a combination of the willing alliance and subordination of key upwardly mobile political groups.<sup>141</sup> Specifically it is through organized religion and the political parties, the key institutions of civil society and constituent components of the state apparatus, that the exploitative and manipulative nature of the historic bloc directs and sustains hegemonic socio-political reality.<sup>142</sup>

When the regime wants agreement to an unpopular action or policy it first organizes support from within the spheres of political and civil society and establishes a suitable or appropriate public stance. As Forgacs wryly puts it, it is amidst ongoing competitive activity within these two spheres that the prize (hegemonic order) becomes the right to regulate state power and “turn it in any particular direction and manipulate it at any time in accordance with the bloc’s economic and political agenda”.<sup>143</sup> Given the inter-penetration and close collaboration of the two spheres, Gramsci’s distinction between civil and political society tends to be largely analytical. With both sets of institutions closely interwoven (and tending to overlap) separating them and locating where influences begin and end poses analytical difficulties. Force and consent occur within both state and civil society, and while the state does not necessarily hold a monopoly on coercion, neither do the institutions of civil society necessarily monopolize the means of ideological control.<sup>144</sup> But as Gramsci’s hegemony is primarily ethico-political, his Marxism demands that ideological superiority (the binding element of Gramscian hegemony) maintains firm roots in the realm of economic activity.<sup>145</sup>

## 1.9 Gramsci’s intellectual

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<sup>140</sup> Femia, (1981), p. 24. Gramsci, *PNs*, (1992), notebook #12, para. #1.

<sup>141</sup> Simons, (1981), p. 88.

<sup>142</sup> *Opere*, (1947-72), Vol.5, ‘*Note sul Machiavelli, sulla politica, e sulla stato moderno*’, (1949), p. 87.

<sup>143</sup> Forgacs, (1988), p. 40.

<sup>144</sup> Ransome, (1992), p. 144.

<sup>145</sup> *Opere*, (1947-72), Vol.5, 1949, p. 31.

“[E]very social group ... creates alongside itself, organically [permanently and fundamentally], one or more groups of intellectuals who give it homogeneity and awareness of its own function not only in the economic sphere but also in the social and political spheres”.<sup>146</sup>

His contemplations of history convinced Gramsci that certain powerful intellectuals were able to strongly influence politics and he arrived at two significant understandings of their role in society. Unlike those commonly associated with the term, Gramsci's intellectuals were more generally the entire strata that exercised organizational functions in the wider sense, whether in the field of culture, production, or political administration. Being the groups most able to influence mass behaviour and consciousness they tended to form into arrangements most likely to influence social stability and social change.<sup>147</sup> In a general sense, Gramsci's intellectuals represented an intelligentsia with an organizational capacity and positioned appropriately to enable a ruling order to exercise its hegemony by transmitting on its behalf a system of beliefs that are accepted to the extent that the masses “do not question the activities of their rulers”.<sup>148</sup> Again, Gramsci's Marxism demanded that he acknowledge an economic imperative and that the mass consciousness intellectuals engendered had its origins in a social order dominating production and economics.<sup>149</sup>

In the Gramscian schema, a successful hegemony could not take root unless the level of active consensus reached was sufficient that the subordinate masses believed the ruling order had genuinely adopted their broader popular interests. Even though considerable genuine national-popular will (Gramsci's binding glue of ideological unity) might be energetically defused through society, overly intensive state pervasiveness and systemization could put to question the actual degree of participation the intellectuals had fostered.<sup>150</sup> As hegemony's hierarchical articulation of social forces was an historic imperative it would only last as long as its intellectuals remained able to sustain the national-popular mass consciousness upon which the bloc is built.<sup>151</sup> Gramsci's use of the term intellectual is therefore clearly a complex theoretical affair but offers a useful interpretive category to explain social change in

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<sup>146</sup> Gramsci, *Prison Notebooks*, (1992), notebook #12, para. #1.

<sup>147</sup> Hoare and Nowell Smith, (1971), p. 97.

<sup>148</sup> Joll, (1977), p. 120.

<sup>149</sup> Femia, (1981), p. 130.

<sup>150</sup> Gerratana, *Quaderni*, Vol. 2, (1975), p.1380. Adamson, (1980), p. 174.

<sup>151</sup> Pellicani, (1981), p. 32.

terms of society's ideological arrangement "around intellectual divisions of labour specific to different economic classes."<sup>152</sup> Gramsci's intellectual can thus best be described as a producer and disseminator of ideas and ideology on behalf of the dominant class controlling production and the economy.<sup>153</sup> While Gramsci uses the term 'intellectual' to describe those who have any organizational or ideological role in society (academics, foreign trained economists, clerics, military professionals, civil servants, and bureaucrats) he goes further by separating their roles into the two temporal categories of *organic* and *traditional* intellectual.

### ***1.9.1 The organic intellectual***

In general terms, Gramsci's 'organic' intellectual refers to those playing significant contemporary roles as reproducers of a particular desired societal construct and the 'traditional' those of an historical nature functioning within traditional intellectual communities. The category of organic intellectual can also be loosely sub-divided into loose groupings of more directed administrators and ideologically driven symbol-wielders. Gramsci's organic intellectual has an important function to carry out on behalf of the ruling order by giving that class homogeneity and crafting society's acknowledgement of that class's "particular position and functions in the economic, socio-political, and cultural order".<sup>154</sup> They are also closely bound to the classes that make up the ruling order by functional association, for example a military leadership.<sup>155</sup> As well as constantly re-affirming their patron class's moral and intellectual (ideological) right to rule, the organic intellectual is expected to perform the vital role of resolving the conflict and contestation that inevitably occurs between *alta cultura* (the culture of the higher ruling groups) and *cultura popolare* (the culture of the subordinate masses). This is achieved by tasking the organic intellectual with translating the interests and values of a particular dominant social group, as Gramsci put it, into "general and common values and interests" acceptable to broader subordinate interests.<sup>156</sup> More than mere orators, the intellectuals must actively participate in practical life as "constructors, organizers, and permanent persuaders" at

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<sup>152</sup> James Martin, *Gramsci's Political Analysis: A Critical Introduction*, (McMillan, London, 1998), p. 39.

<sup>153</sup> Holub, (1992), p. 151.

<sup>154</sup> Gerratana, (1975), p. 1515.

<sup>155</sup> Joll, (1977), p. 121.

<sup>156</sup> Cited in Fontana, (1993), p. 141.

the behest of their sponsoring class.<sup>157</sup> However, the most important role Gramsci's *organic* intellectuals perform is that of integrating their patron class into society and providing their sponsors with the necessary "measure of [moral] leadership" to rule.<sup>158</sup>

A class aspiring to hegemony breeds its own organic intellectuals and through their collective efforts the ruling order is able to maintain its hegemony and sustain moral and intellectual leadership that is acknowledged as legitimate by the rest of society. Closely linked to the dominant social order, therefore, the organic intellectual has an organizational role that not only requires universalizing its sponsor's ideas but also carries responsibility for giving the bloc coherence and legitimacy by ensuring that appropriate elements of traditional ideas and values are assimilated into societal arrangements.<sup>159</sup> Being an active process of communication and co-operation Gramscian hegemony is thus sustained by the organic intellectuals directing activities to preserve and self-perpetuate the bloc by arranging and managing both psychological and socio-political national consciousness. The crucial role that Gramsci's organic intellectuals play, over and beyond their prime function of concerning themselves with the economic organization and political power of their sponsoring class, is to preserve their sponsor's hegemony over the whole of society.

Functionally connected to the entire hegemonic apparatus of the state by concrete institutional arrangements the organic intellectual is ideally placed to manipulate mass behaviour and consciousness.<sup>160</sup> From within both the area of civil society (where hegemony is constructed) and the area of political society (or the state where hegemony is asserted) the organic intellectual is given sufficient authority to perform their "organizational and connective" functions.<sup>161</sup> As the dominant order's veritable deputies, the organic intellectuals facilitate the subaltern functions of social hegemony and political government. Gramsci assigns the organic intellectuals as much an ideological function as an organizational one and in so doing is stressing ideology's organizational potential.<sup>162</sup> A bloc thus formed is more than a mere alliance incorporating the three integral (and overlapping) forms of economic, political, and ideological hegemony, but is an arrangement strengthened and bound by ideological legitimacy.

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<sup>157</sup> Gerratana, (1975), p. 1551.

<sup>158</sup> Buttigieg, (1987), p. 35.

<sup>159</sup> Hilley, (2001), p. 275.

<sup>160</sup> Adamson, (1980), p. 177.

<sup>161</sup> Sassoon, (1980), p. 136.

<sup>162</sup> Hoare and Nowell Smith, (1971), p. 12.



Legitimizing the process requires that some form of enabling discourse be available and able to be constructed into a “justifying ideology” over which the superior group’s organic intellectuals can remain the sole agents.<sup>163</sup> Hegemony thus arranged becomes a cohesive organization of economic, political, intellectual and moral leadership through the intermediary of ideology crafted into pervasive and permeating binding glue that overlays the entire historic bloc. Given that Gramscian hegemony combines strong political leadership with intellectual and moral guidance, hegemonic leadership is deemed to occur when the leadership’s ideology has spread throughout the whole of society and come to determine “not only economic and political objectives but also intellectual and moral unity”.<sup>164</sup> Ideology’s range is broad and Gramsci has its promulgating intellectuals located across the entire socio-political and economic terrain upon which “men move, [and] acquire consciousness of their position”.<sup>165</sup> As well as a class dimension, the process must also introduce a national-popular dimension if it is to unite social diversity into a national-popular (or collective) will. This consensual collective will, generated by the organic intellectual and combined with active (or coercive) political leadership, defines Gramscian hegemony.<sup>166</sup> Through the efforts of its organic intellectuals, the superior group’s world-view must become so thoroughly diffused that their particular view permeates the national consciousness with what Gramsci calls common sense accepted by the whole of society as a reflection of popular will. The idea is that hegemonic order requires the dominant class successfully expressing its own interests in such a way as to generally reflect the best interests of society and, most importantly, be acknowledged by the majority as such.<sup>167</sup>

In Gramscian terms, organic intellectuals belonging to the social group aspiring to hegemony negotiate socio-political legitimacy by balancing two processes; domination (or coercion) with the form of supremacy that defines Gramscian hegemony, consensual, willingly acknowledged, intellectual and moral leadership.<sup>168</sup> The necessary social control, without which these processes cannot be balanced, takes two basic forms. Socio-political behaviour is both influenced externally through rewards and punishments, and internally (or hegemonically) through society’s general

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<sup>163</sup> McLellan, (1998), p. 202.

<sup>164</sup> Gerratana, (1971), p. 1584.

<sup>165</sup> Gerratana, (1975), p. 337

<sup>166</sup> Mouffe, (1979), pp. 183-5.

<sup>167</sup> McLellan, (1998), pp. 203-4.

<sup>168</sup> Femia, (1981), p. 24.

agreement that the dominant order speaks a “common socio-moral language” and that the particular concept of reality it represents informs “all modes of thought and behaviour”.<sup>169</sup> For hegemony to become a fact the dominant group must also acknowledge the prime (non-negotiable) interests of subordinate groups in the interests of, what Gramsci describes as, a “stable juridical equilibrium” but it is always the dominant group that prevails.<sup>170</sup>

Gramsci broadens his organic category to include what he describes as the new organic intellectual of the modern capitalist order, the “intellectual community of capitalism” that defines the values of the economic class among the upper reaches of capitalism.<sup>171</sup> This category includes the modern industrial technician, the organizers of a new culture, managers of the new legal systems, and a range of “specialists in political economy”.<sup>172</sup> The official and prime function of the organic intellectual in hegemonic development remains one of prioritizing the ruling order’s agendas and reconstituting, as necessary, the appropriate enabling discourse to do so.

Dramatic social development brings intellectuals in many guises to the forefront of those that aspire to rule, and the dynamic process stimulated by major social upheaval and change can make a contemporary category of intellectual (a particular historic period’s organic intellectual) irrelevant and organic intellectuals can be superseded in their influence and revert to the category of traditional intellectual described below.<sup>173</sup> An organic response to earlier economic and socio-political arrangements can be overtaken by new socio-political realities and the task of challenging the counter-hegemonic tendencies of traditional intellectuals sited outside bloc influence and power may need to be assigned to a reconstituted assortment of organic intellectuals. This is a further example of the Gramscian hegemonic imperative of re-negotiating alliance arrangements to be more inclusive of subordinate ideas and values in response to changing socio-political and economic realities. Such a socio-political progression (or reversal) in reaction to a changing environment results in what Ransome calls “intellectual regeneration” as former influential organic intellectuals are “displaced in terms of authority, power, and leadership [moving]

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<sup>169</sup> Femia, (1981), pp. 23-4.

<sup>170</sup> Hoare and Nowell Smith, (1971), p. 182.

<sup>171</sup> Holub, (1992), p. 167.

<sup>172</sup> Hoare and Nowell Smith, (1971), p. 5. In the context of the late New Order, the bureaucrats charged with implementing the demands of the IMF and the World Bank are examples of this category.

<sup>173</sup> Hoare and Nowell Smith, (1971), pp. 6-7.

from central to increasingly peripheral positions”.<sup>174</sup> New organic intellectuals can be generated in response to economic progress or changing economic practices that demand new specializations, but once the ruling order’s immediate economic requirements have been met the hegemonic leadership can initiate new experts to address the next priority which may require a re-focusing of earlier more intellectual-political dimensions of social control.<sup>175</sup> Such re-focusing can be in defensive response to either hegemonic obsolescence or even an awareness of an emergent counter-hegemony. An organic intellectual residue from a former historic bloc (academics, judges, clerics, military officers, and politicians) can also form the traditional base of a future counter-hegemony.

### ***1.9.2 The traditional intellectual***

Gramsci wrote that one of the most important struggles for any group striving towards hegemony was that they must “assimilate and ... conquer ideologically the traditional intellectuals”.<sup>176</sup>

The traditional intellectual represents a generally conservative historic continuity that tends to behave autonomously and independently from (as well as countering) the dominant group.<sup>177</sup> Representing subordinate interests as a moral and intellectual alternative to hegemonic legitimacy the traditional intellectuals function separately from the immediate interests of the dominant class.<sup>178</sup> Claiming historic consistency, traditional intellectuals such as clerics and scholars can continue uninterrupted by even the most complex socio-political changes and upheaval.<sup>179</sup> These groups are marked as traditional because they belong to a different historical time from the organic intellectuals created by a hegemonic ruling order.<sup>180</sup> As they represent a threat to hegemony their non-negotiable views and values must be assimilated into the hegemonic order’s representative of ideology to ensure they remain on the peripheries of socio-political legitimacy. Gramsci also made a further distinction in his depiction of the traditional intellectual (arrived at through his understanding of the Italian urban clerics that he placed in this category) as those not

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<sup>174</sup> Ransome, (1992), p. 190.

<sup>175</sup> Ransome, (1992), p. 190.

<sup>176</sup> Cited in Sassoon, (1980), p. 147.

<sup>177</sup> Gerratana, (1975), p. 1515.

<sup>178</sup> Hoare and Nowell Smith, (1971), p. 7.

<sup>179</sup> Hoare and Nowell Smith, (1971), pp. 6-7.

<sup>180</sup> Sassoon, (1980), p. 142.

yet having been “elaborated and set in motion by the capitalist system” underpinning the state.<sup>181</sup> This category of intellectual often stands between the peasant masses and local and state administrations and thus their activity carries important socio-political relevance.<sup>182</sup>

## **2. Hilley’s Malaysian study**

As noted above,<sup>183</sup> Gramscian hegemony implies two specific arrangements of social politics: strategic alliances and concessions to subsidiary groups, and the ruling class articulating its prime interests and values as hegemonic discourse through moral and intellectual (ideological) leadership. John Hilley is concerned with similar issues in the Malaysian context and turns for an explanatory framework to Gramsci’s approaches to social politics that are, as Hilley puts it, “conceptually different from those posed by liberal analysis”.<sup>184</sup> By testing the Gramscian model of political legitimacy and hegemony against Mahathir’s Malaysian project his study parallels this thesis’s interest in the Suharto New Order. Hilley offers the Gramsci’s historic bloc as an appropriate construct to explain the evolving “frameworks of power” that have informed Malaysia’s development during the post-colonial era.<sup>185</sup> Examining Mahathirist Malaysia’s problematic socio-political and economic development beyond colonialism, through Alliance, NEP, and the contemporary *Vision 2020* program to explain the processes involved, Hilley has turned to Gramsci’s notions of hegemony and the realization of active consent. Hilley suggests Mahathirism reflected a broad “accumulation of ideas and values” extending beyond the ruling order’s narrow interests and agendas and their negotiated acceptance by the Malaysian masses implied the political legitimacy implicit in Gramscian hegemonic order.<sup>186</sup> Hilley’s Mahathirism called upon hegemonic discourse narrated as language, images and, most profitably, ideology to institutionalize societal cohesion and hegemonic legitimacy but cautions that the capability of traditional values to challenge hegemonic discourse must never be

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<sup>181</sup> Hoare and Nowell Smith, (1971), p. 14.

<sup>182</sup> Hoare and Nowell Smith, (1971), p. 14.

<sup>183</sup> Above, section 1.5, pp. 32-35.

<sup>184</sup> Hilley, (2001), p. 10.

<sup>185</sup> Hilley, (2001), p. 9.

<sup>186</sup> Hilley, (2001), p. 83.

underestimated.<sup>187</sup> Hence his description of how the historical importance and pervading social presence of traditional intellectuals placed potentially problematic restraints on the organic hegemonic order but how Mahathirism succeeded in assimilating traditional discourse into the Malaysian ruling schema thereby ameliorating the threat to hegemonic continuance.<sup>188</sup>

Hilley's study's use of a Gramscian perspective describes how Mahathir reconstructed regime legitimacy over twenty years from one of coercive domination and ethnic manipulation into a more consensual hegemony. The theme, a constant throughout Hilley's study, defines the tension between the state's consensual and coercive strategies to reflect the paradox of Mahathirism's mix of popularism and authoritarianism.<sup>189</sup> Hilley's project examines how, stunned by the 1997 economic crisis and the ascendance of a nascent counter-hegemony around a resurgent Islam and increasing demands for socio-political reform articulated as *reformasi*, Mahathir sustained support for his hegemonic agendas. Mahathir offered a progression of images to symbolize growth, nation building, a shared vision of prosperity, national integration, and social community to bolster hegemonic discourse; the New Economic Policy (NEP), Look East, Malaysia Inc. and, more recently, his *Vision 2020*. As nation-building constructs, Mahathir's visionary projects called for communal alliance, territorial and ethnic integration, and harmony and fair partnership through an evolving mature society practicing a consensual, community-orientated Malaysian form of democracy. The challenge, as he articulated it, was to build a tolerant moral and ethical society, strong in religion and spiritual values, in which the welfare of the people would not evolve around the state or the individual, but through a strong and resilient family system. Essentially the vision he articulated called for development fairly and equitably distributing the nation's wealth and economic progress in full partnership.<sup>190</sup>

As a discourse of civil persuasion, Mahathir's *Vision 2020* represented an increasingly crucial aspect of his bloc's legitimization process. The political reality Mahathir faced was that an increasingly contested Malaysian civil society, enticed by images of modernity, had come to expect new forms of "populist consensus, political

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<sup>187</sup> Hilley, (2001), p. 43.

<sup>188</sup> Hilley, (2001), p. 12.

<sup>189</sup> Hilley, (2001), p. 22.

<sup>190</sup> Excerpts from *Malaysia: The Way Forward*, a working paper presented by Dr. Mahathir in launching his *Vision 2020* to the Malaysian Business Council on 28 February, 1991.

co-optation, and intellectual enterprise”.<sup>191</sup> The new realities represent the essence of Hilley’s investigation: that economic transition and the onset of growing demands for socio-political reform in the face of “ascendant neo-liberal practices” had made Malaysian society “an increasingly contested site” that demanded more consensual forms of hegemonic control.<sup>192</sup> The necessary hegemonic realignments confronting Mahathir needed to be made in an environment debating the validity of more liberal democratic practices in the context of heightened Islamic values. What emerged was hegemonic refurbishment based more on morally and intellectually legitimate societal consent than the previous emphasis on state coercion.

Hilley offers three main Gramscian themes as central to his discussion on rationalizing the realities of Malaysia’s contested civil space, the emerging tensions questioning the Mahathirist vision and the likelihood of an emergent counter-hegemony; the power (historic) bloc, hegemony, and the role of the intellectual. The historic/power bloc construct enabled Hilley to explain the developing framework of power that had evolved from Malaya’s independence into the Mahathir era and its accompanying “changing configuration of state-class relations”.<sup>193</sup> Gramsci’s understanding of hegemony offered Hilley the means to understand the processes of alliance structuring and realignment, concessions to subsidiary groups, and the “conscious cultivation” of the dominant order’s interests through “civil, moral, and intellectual processes”.<sup>194</sup> Gramscian hegemony also provided Hilley with a means of explaining, on the one hand, the leading group’s articulation of “national-popular constructs” in the national interest and, on the other, the “quality of its consensual legitimacy (hegemony)” derived through the nation accepting the Mahathirist vision.<sup>195</sup> As Hilley understands Gramsci, one of the important hegemonic functions of the state is to “raise the great mass of the population” to a level that “corresponds to the needs of the productive forces for development, and hence to the interests of the ruling classes”.<sup>196</sup>

In explaining the increasingly contested civil space within which the Mahathirist project took place, Hilley turns to the “integrated role of the intellectual in

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<sup>191</sup> Hilley, (2001), p. 7.

<sup>192</sup> Hilley, (2001), p. 7.

<sup>193</sup> Hilley, (2001), p. 9.

<sup>194</sup> Hilley, (2001), p. 10.

<sup>195</sup> Hilley, (2001), p. 10.

<sup>196</sup> Hoare and Nowell Smith, (1971), p. 258.

constructing national-popular discourse to facilitate that process”.<sup>197</sup> Hilley points out that the Gramscian concept of the organic intellectual effectively gives practical meaning to the interactive processes extending from Mahathir’s ruling party, the United Malays National Organization (UMNO), into its associated networks of business, economic, and religious organizations, and cultural forums. The category of traditional intellectuals posing increasing restraint upon the organic order with their intellectual struggle, are identified: modernist Islamic interests, the Malaysian Islamic Party (PAS), growing regional demands for *sharia* law and Islamic codes, and both Islamic and secular demands for a more moral, less corrupt, society. But there is limited space in Mahathir’s Malaysia for critical intellectualism. Hilley puts it that, “to be on the outside is to be not only oppositional, but dysfunctional” and as this “culture of reluctant opponent” permeates all parts of the Malaysian social order, notwithstanding the increasingly influential roles of liberals and social reformers, the likelihood of a cohesive counter-hegemony taking root was remote.<sup>198</sup>

Hilley’s enquiry examines the Mahathirist bloc through a three-fronted view of hegemony that adopts the typology of economic, political, and ideological forms: the economic bloc is assessed as a reward system with the responsibility for organizing capital allocation through corruption, cronyism, and nepotism; the political component considers legitimacy at the political level of the UMNO system; and the ideological form examines the bloc’s exclusive control and representation of intellectual discourse to craft and rearrange societal consensus.<sup>199</sup> Hilley also has much to say about Gramsci’s notions on counter-hegemony in terms of Mahathir’s successful efforts to mitigate challenge. Mahathir’s realignment of the bloc following the 1987/8 UMNO split, his negotiation of the “shift towards civil consensus” during the 1990s, and his moves to achieve political consensus in the face of neo-liberal and neo-corporatist pressures from the mid-1990s should be seen, therefore, in the light of hegemonic refurbishment in the face of potential counter-hegemony.<sup>200</sup> Hilley commits several chapters to considering the intellectual effectiveness of counter-hegemonic deliberations constructed around alternative liberal, reformist, and Islamic discourse on political cultural identity vis-a-viz Mahathir’s hegemonic developmental

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<sup>197</sup> Hilley, (2001), pp. 21-2.

<sup>198</sup> Hilley, (2001), p. 13.

<sup>199</sup> Hilley, (2001), p. 14.

<sup>200</sup> Hilley, (2001), p. 14.

visions.<sup>201</sup> Particularly salient is Hilley's view on the "fresh opportunities for meaningful counter-hegemony" offered by the 1997 regional economic crisis and Mahathir's role in the fall from grace of his heir apparent Deputy Prime Minister Anwar Ibrahim in 1999.

## ***2.1 Towards crisis and hegemonic challenge***

Hilley makes much of the opportunity for hegemonic refurbishment privatization offered Mahathir. Business community co-operation with the regime was strengthened by the transfer of wealth and resources to selected politico-corporate elites thereby reminding the private sector of the value of co-operation with the regime.<sup>202</sup> In terms of hegemonic refurbishment, privatization enabled alliance interests to be re-aligned through the patronage process and as state control tightened by transferring wealth and resources to selected politico-corporate elites.<sup>203</sup> Privatization nevertheless carried its own pragmatic logic in that by reflecting the neo-liberal/monetarist orthodoxy ascendant in the West during the late 1980s, Mahathir's privatization agenda encouraged FDI-led development by improving international confidence in Malaysia's domestic economic adjustments.<sup>204</sup> Neo-liberal reforms, and the proliferation of portfolio-based FDI investment through the 1990s alongside endemic corruption and cronyism were themselves key contributors to the economic crisis that hit Malaysia during 1997 and aroused the most significant challenge Mahathir's hegemonic agendas had faced. Meeting domestic and international demands for liberal reform highlighted for Mahathir the dilemma implicit in balancing more open markets with preserving politico-business control. By offering new and broader patronage opportunities that included benefiting Chinese corporate interests, the privatization process was able to be represented as conforming to Mahathir's Vision 2020 legitimizing priorities of "social accommodation across the ethnic spectrum" to ensure more equitable inter-ethnic distribution and thus fortifying regime legitimacy.<sup>205</sup>

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<sup>201</sup> Hilley, (2001), p. 15.

<sup>202</sup> Hilley, (2001), pp. 58-65.

<sup>203</sup> Hilley, (2001), p. 59.

<sup>204</sup> During the period 1983-94 the privatization program had saved around RM 40.6 billion in operating expenditure and rationalized some 92,700 jobs. E. T. Gomez and K. S. Jomo, *Malaysia's Political Economy: Politics, Patronage and Profits*, (Cambridge University Press, Cambridge, 1997), p. 86.

<sup>205</sup> Hilley, (2001), p. 64.



Mahathir sought to build consensus and manage tensions within the political bloc by reforming social ideas as necessary; his harnessing of the global Islamic resurgence that had taken root in Malaysia during the 1980s typified the approach.<sup>206</sup> The hegemonic crisis created by the UMNO split in 1988 arising out of differing policy perspectives towards economic development<sup>207</sup> revealed in its aftermath a fundamental shift in the intra-regime alliance arrangement of the Mahathirist political bloc.<sup>208</sup> From Hilley's Gramscian view point, Mahathir's resolution of the UMNO was treating the situation as a hegemonic opportunity to remodel the political basis of the party and the bloc in his favour. As a consequence Mahathir was required to return to active consensus-building to consolidate the bloc's electoral basis but, by the mid-1990s, bloc stability was coming to depend largely upon the positioning of such senior party figures as his heir apparent, Anwar Ibrahim.

In terms of a Gramscian ideological bloc, Hilley explains the oncoming counter-hegemonic crisis as arising out of compounding differences between Mahathir and Anwar's alternative representations of Mahathir's Vision project against the background of the succession issue. Although he had designated Anwar as his successor, Mahathir insisted upon controlling the timing of the accession and while differences were apparent between the two they were kept muted. Essentially, Anwar's superior Islamic intellectual qualities and credentials and Mahathir's unquestionably pre-eminent political dexterity accentuated the differences. The basis of their differences was that Mahathir's version of his *Vision 2020* required "restrained liberal development" and contradicted Anwar's tentative shift towards free-market liberal reforms.<sup>209</sup> The socio-political substance of Anwar's counter-hegemonic stance was his association with the theme of cleansing Malaysian society's propensity for collusion, cronyism, and nepotism.<sup>210</sup>

When the economic crisis hit Malaysia in 1997 the main concern among the Malaysian elites was that the economic woes would deteriorate into political and ideological crises. Put in Gramscian terms, "an organic crisis of hegemony" was threatening and heeding the Gramscian imperative that as "hegemony is always a

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<sup>206</sup> Hilley, (2001), p. 85.

<sup>207</sup> The Mahathir camp wanted to shift political control away from the state bureaucracy and his opponents were concerned at the redistribution of privatization resources.

<sup>208</sup> Hilley, (2001), p. 87.

<sup>209</sup> Hilley, (2001), p. 97.

<sup>210</sup> Hilley, (2001), p. 97.

three-fronted affair, a crisis at one level may be offset at another”<sup>211</sup> as the crisis deepened Hilley suggests Mahathir responded by strengthening the political bloc and using his “ideological network” to tighten control.<sup>212</sup> The subsequent public emphasis on sustaining *Bumiputera* rights and business privileges, a corresponding and offsetting strengthening of Chinese capital, and Mahathir’s role in Anwar’s arrest and character assassination, can be seen in these terms and, as such, necessary techniques of Gramscian hegemonic adjustment.<sup>213</sup>

## 2.2 *An emergent counter-hegemony?*

The intellectual base of the counter-hegemonic alternative to Mahathir’s *Vision 2020* project consolidated around three prime issues: an alternative Islamic model of development, the inherent Malay-Islamic dialectic, and Islam’s socio-political linkage to *reformasi*.<sup>214</sup> In discussing the tensions the issues aroused, Hilley uses an approach consistent with Gramsci’s understanding of the roles of the organic and traditional intellectuals.<sup>215</sup> The resulting political counter-hegemony was linked to *reformasi* but also united sympathies beyond Malaysian Islam. The treatment of Anwar and his family by the police, other law enforcement agencies, and the courts themselves, brought the judicial system into growing disrepute and forced brooding Malay resentment into a “moral camp” that was Islamic *and* secular, both finding voice in the growing calls for *reformasi*.<sup>216</sup>

To constitute an effective Gramscian counter-hegemony, popular dissent must be led by intellectuals who can bridge the feelings of people and their leaders and be capable of combining with mainstream elements to work together as an *organic* entity by thinking strategically and avoiding narrow party interests.<sup>217</sup> Hilley argues that by late 1999, although a shift in popular consciousness was apparent and opening new challenges to the prevailing bloc, a counter-hegemonic intellectual leadership had not yet become strong enough strategically to take control of *reformasi* and displace Mahathir.<sup>218</sup> The nucleus of an alternative bloc was nevertheless

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<sup>211</sup> Cited in Hilley, (2001), p. 101.

<sup>212</sup> Hilley, (2001), pp. 117-46.

<sup>213</sup> Hilley, (2001), pp. 101-2.

<sup>214</sup> Hilley, (2001), PP. 186-201.

<sup>215</sup> Hilley, (2001), pp. 178-249.

<sup>216</sup> Hilley, (2001), pp. 206-13.

<sup>217</sup> A. Showstack Sassoon, (1980), pp. 162-80.

<sup>218</sup> Hilley, (2001), p. 249.

evident, and Mahathirism was beginning to suffer the feared three-fronted crisis of hegemony.<sup>219</sup> Although a significant level of economic recovery was taking place by mid- to late 1999, small business was still resentful of Mahathir's bail-out of big corporate capital and foreign capital had become increasingly estranged. Mahathirism was still experiencing a crisis of economic hegemony.<sup>220</sup> Hilley points out that because of the high public regard for Mahathir's handling of the economic crisis the consensual element of the political bloc could not be dismissed and kept Mahathir from sharing Suharto's fate. Nevertheless, with the popular shift away from UMNO, the political bloc had also come under crisis and *reformasi* was drawing increasing support, particularly in the rural areas.<sup>221</sup>

Although the economy was recovering, Mahathir's *Vision 2020* project was also facing new forms of political pressure in the form of growing ideological dissent.<sup>222</sup> Hilley notes that the validity of the Gramscian project requires that the leading discourse be accepted "as internal to the system, whether through passive resignation or common-sense approval".<sup>223</sup> There were thus two essential reasons for the gathering ideological crisis. First, ongoing public anger at Anwar's treatment and the way hegemonic discourse was used to facilitate Anwar's fall had brought Mahathir's *Vision 2020* to a new level of public disrepute.<sup>224</sup> Second, the crisis of ideology had resulted in a loss of moral authority. Many Malaysians were now supporting Mahathir on the economy, but backing *reformasi* "on the moral front".<sup>225</sup>

Following a snap poll on 29 November 1999, Mahathir secured a fifth successive term in office, albeit with significant inroads cut into UMNO's majority and the Muslim party PAS emerging as the main parliamentary opposition, picking up much of the new Malay floating vote.<sup>226</sup> Hilley sees the result as confirming a broadening cleavage across Malaysian society that suggested a growing rural-urban divide, a rejection of *Vision 2020* developmentalism, new impetus for a PAS-Islamic counter-vision committed to cleansing corruption and a real alternative to the UMNO system.<sup>227</sup> Despite Mahathir's victory the bloc was still in evident crisis and Hilley

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<sup>219</sup> Hilley, (2001), p. 257.

<sup>220</sup> Hilley, (2001), p. 258.

<sup>221</sup> Hilley, (2001), pp. 258-9.

<sup>222</sup> Hilley, (2001), p. 259.

<sup>223</sup> Hilley, (2001), p. 259.

<sup>224</sup> Hilley, (2001), p. 260.

<sup>225</sup> Hilley, (2001), p. 260.

<sup>226</sup> Hilley, (2001), p. 264.

<sup>227</sup> Hilley, (2001), p. 264.

offers four main reasons for this. First, notwithstanding the economic recovery and their 1999 electoral victory, UMNO remained seriously damaged. Second, a coherent opposition was now in evidence as an alternative to the UMNO system. Third, with Mahathir having secured a further secure mandate, the problems of corruption and cronyism within the system were likely to remain. And, fourth, UMNO now faced a coherent and organized Islamic counter-force with the potential of becoming a realistic counter-bloc if it could develop a coherent and consensual alternative to Mahathirist “ethnic politics and the class basis on which they were built.”<sup>228</sup>

In terms of testing the value of a Gramscian perspective to explain the rise and fall of the Suharto New Order, Hilley’s Mahathirist project offers a number of key insights. First, and foremost, to achieve desired socio-political and economic ends, Mahathirism exercised the Gramscian prerogative of preparedness, as necessary, to negotiate with the masses’ ideas and values beyond his ruling order’s own interests and agendas.<sup>229</sup> Second, while Mahathirist hegemonic discourse placed a necessarily heavy emphasis upon ideology, Mahathir never lost sight of the potential for challenge from traditional values and hegemonic refurbishment ensured that they were appropriately assimilated into regime agendas. Third, the Mahathirist project also highlights the Gramscian requirement that regime ideological legitimacy be constantly reconstructed to ensure that the consensual aspects of hegemony balance the need for elements of domination and ethnic manipulation. To face each new crisis, Mahathirism therefore rebuilt support for hegemonic agendas by refining the imagery of hegemonic ideological discourse. Fourth, Hilley’s Mahathirist project was highlighted by an ability to manage opportunities, as they arose, so that a meaningful counter-hegemony did not emerge around the issues of leadership transition, *reformasi*, and the 1997 regional economic crisis. This was achieved by regularly renegotiating civil consensus through a strategic approach to hegemonic refurbishment. Moreover, Mahathirist hegemonic discourse proved able to mitigate the ideological tensions aroused by the evolving Islamic-secularism dialectic and, by splintering the forces of *reformasi*, prevented a cohesive counter-hegemony being formed.

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<sup>228</sup> Hilley, (2001), pp. 267-8.

<sup>229</sup> Above, section 1.5, p. 33..

### ***2.3 Comparing the constitutional basis of hegemony: Malaysia and Indonesia***

While a comprehensive comparison of Malaysia's federal constitution and that of the unitary Indonesian Republic is beyond the scope of this research, it is useful to identify those aspects that provide the core frameworks for the maintenance of hegemony in each case. As will be outlined in chapter 2, by institutionalizing an exclusive representation of the state ideology *Pancasila*, the 1945 Constitution of the Republic of Indonesia provided the Suharto New Order a means to balance coercion and consensus to legitimize their domination of all aspects of Indonesian life. By returning to the original spirit of *Pancasila*, formalized in the preamble to the 1945 Constitution, Suharto's New Order were provided with the most vital function of hegemony: the means to achieve the ideological conformity that could institutionalize their moral and intellectual right to rule. As Suharto put it, his regime's return to the 1945 Constitution, together with its pure implementation of the state ideology, enabled ordering the entire life of the nation. Moreover, legitimized by the *Pancasila* derivative *dwi fungsi*, it would be the Armed Forces of the Republic of Indonesia (ABRI)<sup>230</sup> that would carry the responsibility for upholding and protecting both the Constitution and *Pancasila* and thus the role of fulfilling the coercive aspects of New Order hegemony.

The fundamental feature of Malaysian constitutional policy has been a social contract that accorded special privileges to the indigenous *bumiputera* majority in return for citizenship and fundamental freedoms for the non-*bumiputera* population.<sup>231</sup> The strategic alliance that evolved from this arrangement effectively underpinned the consensual aspect of Mahathirist hegemonic authority by legitimizing the leadership at the national-popular level. The constitutional positive discrimination derived in favour of *bumiputera* has not so much been to protect the minority as to advance the position of the majority.<sup>232</sup> The coercive aspects of Mahathirist hegemony, while not benefiting from a military as highly empowered as that of the Armed Forces in Indonesia, have been no less effective through constitutional means. The Internal Security Act (1960) designed to combat terrorism

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<sup>230</sup> The Armed Forces of the Republic of Indonesia here-after referred to as ABRI (*Angkatan Bersenjata Republk Indonesia*).

<sup>231</sup> Andrew Harding, *Law, Government and the Constitution in Malaysia*, (Kluwer Law International, London, 1996), p. 169.

<sup>232</sup> Harding, (1996), p. 229.

and subversion after the end of the 1948 emergency, remains in force today and defines the basis of Mahathirism's hegemonic coercion.<sup>233</sup> Checks on the Act's emergency powers continue to rest in the hands of the executive office.<sup>234</sup> To assume the emergency powers permitted under the Constitution, the government merely needs to proclaim the existence of an emergency. Effectively, the emergency powers granted under the Malaysian Constitution are such that unless the executive can be trusted to act wisely and constitutionally, they could be used to create a "coercive dictatorship under the guise of Constitutional action."<sup>235</sup> Moreover, although the Constitution grants all citizens the right to freedom of speech and expression plus the right to associate peacefully and form associations, Parliament may impose on these rights "such restrictions as it deems necessary or expedient in the interests of the security of the federation or any part thereof."<sup>236</sup>

Clearly both the Malaysian and Indonesian Constitutions provided adequate means to satisfy both the coercive and consensual demands of Gramscian hegemonic legitimacy. The Suharto New Order's rendering of *Pancasila* as civil persuasion, however, remained passive, albeit subject to reactive impulses when changing circumstances demanded, but Mahathirist hegemonic imagery showed itself to be a dynamic affair. The Mahathirist vision was able to evolve in line with the changing perceptions of Malaysia's demanding modernizing society and the increasingly contested site that Malaysian society had come to represent, yet was still able to sustain its own basic hegemonic agendas.

### 3. *The Propositions*

From the outline and analysis of Gramsci's writings, four propositions have been derived to test the extent to which Gramsci's analytical/theoretical framework, developed in the context of post-Marxist thought and Italian politics of the 1920s and 1930s, provides a significant explanation of the more contemporary situation of a rapidly industrializing and changing Indonesia in the three decades of the Suharto New Order. For Gramsci's ideas and analysis, which do not rely on a

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<sup>233</sup> The Act's sweeping powers include the right to; restrict movement and residence, prevent publication, prevent the promotion of hostility between races, prevent any act prejudicial to the national interest, and impose indefinite preventive detention. Harry E. Groves, *The Constitution of Malaysia*, (Malaysia Publications Ltd., Singapore, 1964), pp. 208-10.

<sup>234</sup> Harding, (1996), p. 159.

<sup>235</sup> Harding, (1996), p. 166.

<sup>236</sup> Harding, (1996), p. 189.

particular geographic region, social cultural or political-economic context, to have continuing relevance they need to be able to explain to a significant extent the developments in a situation such as Suharto's New Order in Indonesia.

***3.1 Proposition 1: That the Gramscian historic bloc – through its economic, political and ideological forms – explains the Suharto New Order regime's hegemonic domination.***

Proposition 1 draws upon Gramsci's understanding of the historic bloc (comprising three overlapping and mutually inclusive economic, political and ideological forms) as an historical process within which hegemony is negotiated and sustained (above, section 1.1, p. 20 and section 1.7, pp. 37-39). Hegemonic order thus derived becomes legitimate when solidarity has been negotiated both within the dominant elite groupings and then between them and sympathetic, yet subordinate, groups by differentiating two separate forms of socio-political control: domination as physical coercion and hegemonic direction as ideological power through consensus and socio-political support (above, section 1.2, p. 22). The proposition also draws upon Gramsci's insistence on the need to balance coercion with persuasion through ongoing ideological refurbishment sustaining the historic bloc and thus hegemonic order (above, section 1.4, pp. 30-31). Gramsci's writings (above, section 1.4, pp. 28-29 and pp. 31-32) explain how hegemonic order is associated with ideology and primarily practiced in the arena of the parliamentary system characterized by a combination of legitimate coercion/force and consent/compromise, without the former dominating the later. Finally, the Proposition draws upon Gramsci's views on how the historic bloc directs and sustains its hegemonic socio-political realities by its organization through the bloc's organic constituency (above, section 1.9, pp. 40-42) of religion and political parties (above, section 1.8, pp. 39-40).

***3.2 Proposition 2: That Gramsci's theories on hegemonic crisis and counter-hegemony explain, to a substantial degree, the hegemonic obsolescence and decay that led to the Suharto New Order collapsing in 1997/8.***

Proposition 2 draws upon Gramsci's writings (above, section 1.6, pp. 35-37) on the likelihood of hegemonic decay and obsolescence resulting when hegemonic legitimacy is able to be questioned thus enabling a coherent counter-hegemony emerging. Only so long as the dominant class is able to co-opt and sustain subordinate consent to its agendas does that class remain hegemonic (above, section 1.5, p. 34). Hegemonic domination remains legitimate only so long as the ruling arrangement is able to sustain the cohesive ideological alliances with subordinate groups on which its hegemony has been built (above, section 1.6, p. 36). Hegemony must never be taken for granted and the broad and diverse pluralities of interests that are a feature of modernizing industrial societies require hegemony's constant readjustment and renegotiation (above, section 1.6, pp. 36-37). The Proposition also draws upon Gramsci's insistence that as a result of hegemonic decay and obsolescence should hegemonic challenge actually take place, it does so within the socio-political environment of legitimate political and ideological debate (above, section 1.6, p. 36). Finally, the Proposition draws upon Gramsci's views that hegemonic obsolescence and decay can evolve into a coherent counter-hegemony out of such issues as a questioning of the allocation of benefits, the permissible range of societal disagreement based upon the legitimacy of the hegemonic representation of ideology, and the effectiveness of the institutions through which societal agreement has been sustained (above, section 1.6, p. 37).

***3.3 Proposition 3: That the Suharto New Order's representation of Pancasila as the 'ideological pillar' of the Indonesian state, to a large degree fulfils the function of a Gramscian discourse of ideological legitimacy.***

Proposition 3 draws upon Gramsci's approach to influencing socio-political behaviour that tied the hegemonic use of ideology to national culture (above, section 1.1, p. 20 and section 1.3, p. 26). When a ruling order has articulated and proliferated cultural and belief systems throughout society to the extent that they are accepted as universally valid by the general population, that class ruling arrangement can be seen to have assumed a hegemonic role over society (above, section 1.4, p. 28). Because of the critical importance Gramsci's writings applied to the use of ideology in crafting mass consciousness so as to establish moral and intellectual legitimacy,



understanding the nature and workings of the ideological bloc is important to the Proposition (above, section 1.1, p. 20). *Pancasila's* deployment by the New Order as an instrument of ideological unity is the over-riding theme of this Proposition and draws strongly on Gramsci's theories on the use of ideology in this manner (above, section 1.2, pp. 24-26). Gramsci's hegemonic use of ideology to offer a flexible and comprehensive world-view that would underwrite a particular way of life, coupled with the socio-political force of strong leadership (Gramsci's *direzione*) provides the Proposition strong analytical validity (above section 1.4, pp. 29-32). The Proposition also draws upon Gramsci's views as to how culture and ideology can be employed to institutionalize hegemony and underpin the interests of a dominant class's socio-political arrangements (above, section 1.5, pp. 32-33). True hegemony, Gramsci argues, can only come about when a dominant class's socio-political arrangements have gained societal acceptance of that class's ideological legitimacy as a reflection of more than simple economic interests (above, section 1.5, p. 33). Gramscian hegemony is based upon a combination of strategic alliances with subordinate groups and ruling arrangements that articulate the legitimacy of the ruling order's prime interests and values through ideological discourse (above, section 1.5, p. 34). Finally, the Proposition draws from Gramsci's insistence that ongoing, direct, leadership requires the ruling order's exclusively derived rendering of ideology constantly assimilating subordinate values as necessary to ensure it continues to represent a general national interest (above, section 1.5, p. 34).

***3.4 Proposition 4: That the Gramscian model of hegemonic order, with its emphasis on 'ideology and culture', substantially explains Indonesia during the post-Suharto era in the context of the global spread of liberal democratic ideals and resurgent socio-political Islam.***

Proposition 4 derives from Gramsci's thoughts on counter-hegemony and contrasts them in the New Order context of the oppositionally-enclined traditional intellectuals of Islam, from the perspective of a resurgent Islam with its potentially counter-hegemonic, alternative rendering of the state's ideological underpinnings, challenging the regime's conservative secular-nationalist socio-political stance (above, section 1.2, p. 23). The proposition also calls upon Gramsci's views as to the site of hegemonic contestation – the institutions of civil society including the political

system, political parties and religious groupings – wherein an alternative hegemony can form around an alternative coherent rendering of ideology (above, section 1.8, pp. 39-40). Gramsci's theories on the role of intellectuals in influencing mass behaviour and consciousness by forming arrangements able to influence social stability and effect social change (above, section 1.9, pp. 40-41) are drawn upon to support Proposition 4, as are his views on the potential for ideological conflict between organic intellectuals, that transmit a system of beliefs on behalf of their hegemonic sponsors (above, section 1.9, p. 41 and section 1.9.1, pp. 42-46) and traditional intellectuals, that offer a traditional historic constituency representing mass subordinate interests in conflict with the immediate interests of the dominant order (above, section 1.9.2, p. 46).

#### **4. *Thesis structure***

Testing the Gramscian model against the Suharto New Order and offering the regime as an example of Gramscian hegemonic order (an historic bloc) focuses on two specific issues: first, the language of an elite-driven social politics advanced through ideological discourse over an historic period and second, the machinations and manipulations of economic, political, and ideological hegemony in a quest for legitimacy and continuity in the face of potential ideological challenge. The focus is on the means and devices through which an historic bloc gains national acceptance of the moral and intellectual legitimacy of its socio-political and economic dominance. The thesis addresses the first issue by explaining the relationships between state and society through political agents and relevant enabling social processes that combine elements of both domination and consent. This requires explaining the ruling establishment's two major socio-political strategies of *structuring* and *stabilization* through centralized decision-making in the context of a Gramscian historic bloc's three specific forms. The Gramscian perspective tests the second issue of hegemonic legitimacy by explaining the New Order's use of *Pancasila* (the official state ideology) as hegemonic discourse in establishing and sustaining the moral and intellectual legitimacy of regime dominance.

It is the contention of this thesis that the Suharto New Order's domination of Indonesian life for some thirty years and its subsequent failure offers a highly relevant context in which to test Antonio Gramsci's model of social politics and

hegemonic legitimacy. The contrast requires assessing the Suharto New Order's orderly balancing of economic, political and ideological power through "an integrated set of state-class accommodations and ideological mediations" over an extended historic period defined by Gramsci's insights into the dualities of coercion and consensus.<sup>237</sup> This enables determining how closely the New Order is explained by the essence of Gramscian hegemonic order in subordinating the Indonesian nation to the legitimacy of their "certain *ideal* of collective life".<sup>238</sup> In terms of testing Gramscian hegemonic refurbishment, the research examines the New Order's need to realign its hegemonic arrangements by assimilating subordinate interests into its alliance structure in the face of new and changing socio-political realities and challenge. Gramsci's theories of the relationship between ideological discourse, hegemonic challenge, hegemonic crisis, and counter-hegemony, *prima facie* suggest a close match leading to valuable insights into the consequences for regime hegemony of political Islam's regeneration in Indonesia from the mid-1980s and to question the *ideal* meaning and intent of the state ideology *Pancasila*, subsequent resurgent secular-nationalism and growing demands for *reformasi dan demokrasi* through the 1990s and the collapse of the New Order bloc in 1998.<sup>239</sup> Focusing on the 'how' and 'why' of New Order development and collapse, the research addresses four issues in terms of the Gramscian model of hegemonic order, obsolescence, crisis, and counter-hegemony. The thesis therefore considers four Propositions:

- Proposition 1: That the Suharto New Order historic bloc - through its economic, political and ideological forms - matches the Gramscian model in terms of the regime's representation of ideology in legitimizing its moral and intellectual leadership and reshaping societal perceptions of the mutual conditions of socio-political and economic existence;<sup>240</sup>
- Proposition 2: That Gramsci's theories on hegemonic crisis and refurbishment and emergent counter-hegemony explain, to a substantial degree, the hegemonic obsolescence and decay that led to the Suharto New Order collapsing in 1997/8 in contrast to the twin-crises explanation;

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<sup>237</sup> Showstack Sassoon, (1980) p. 121.

<sup>238</sup> Gramsci cited in Showstack Sassoon, (1980), p. 122, (own italics).

<sup>239</sup> Jun Honna, 'Military Ideology in Response to Democratic Pressure During the Late Suharto Era: Political and Institutional Contexts', *Indonesia*, (Cornell Southeast Asia Program, Cornell, 1999), 67, April 1999, p. 78.

<sup>240</sup> Boggs, (2002), pp. 64-5.

- Proposition 3: That the New Order's representation of *Pancasila* as the 'ideological pillar' of the Indonesian state, to a large degree fulfils the function of a Gramscian discourse of ideological legitimacy;
- Proposition 4: That the Gramscian model of hegemonic order, with its emphasis on 'ideology and culture', substantially explains Indonesia during the post-Suharto era in the context of the global spread of liberal democratic ideals and resurgent socio-political Islam.

In contrasting the New Order's three decade socio-political progression against the Gramscian model of hegemonic order this thesis employs the methodological construct of his historic bloc. The Introductory chapter has detailed the background to the research, the arguments put forward for testing within the thesis's Gramscian perspective and the themes and issues examined. Chapter 1 has identified and discussed the theoretical detail of the key elements of the Gramscian model for testing in this thesis: his theoretical association with the ideas of Karl Marx, hegemony and hegemonic order, the historic bloc, his ideological and legitimizing functionaries (intellectuals), and counter-hegemony. The chapter included a review of John Hilley's recent Malaysian project that contrasts Mahathirism with the Gramscian model of hegemonic order and concludes by arguing that Gramsci's insights remain highly relevant to a contemporary context and will be robust when tested against the behaviour of the Suharto New Order. The Gramscian perspective informing the research requires identifying a critical link between Gramscian hegemonic discourse (reflecting the search for intellectual and ideological leadership) and the official ideology of the New Order Indonesian state, *Pancasila*. Chapter 2, therefore, underpins Proposition 3 by explaining the Suharto New Order's exclusive representation of the state ideology and its use as dialogue and symbolism to unify the state behind regime socio-political and economic agendas and define the parameters of ideological conformity. The chapter observes doctrinal interpretation and articulation as elite discourse that reflects the Suharto regime's interests and values to legitimize the moral and intellectual substance of their socio-political leadership. Gramsci observes a close relationship between ideology and culture and Chapter 3 observes the particular nature of Indonesian political culture and outlines the ideological, political and economic background of the research.

Chapters 4, 5, and 6 underpin Proposition 1 by explaining the three overlapping economic, political, and ideological aspects of the New Order's arrangement of Indonesian life and contrast each with the Gramscian model of hegemonic order. Underpinning all three is the key element of Gramscian ideological legitimacy. Each chapter compares New Order behaviour with the Gramscian imperative that ideology be effectively assimilated into the national consciousness by balancing a duality of coercion and electoral and democratic procedure (consensus) without the former dominating in sustaining consensual subordination to regime leadership agendas. Chapter 4 examines the economic form of the bloc and describes the New Order's corporatist/developmental-state model and its hegemonic schema of coercion, co-optation, consensus, and patronage to achieve economic legitimacy, stability and ultimately, successful economic development. In terms of the moral and intellectual (ideological) legitimacy that underpins Gramscian hegemony, the chapter focuses upon the *Pancasila-ist* nature of the New Order economy.

Chapter 5 examines the construction and maintenance of the New Order's political arrangement of Indonesian society and the organization of political legitimacy through a balancing of socio-political consensus with coerced conformity, unity, and stability. The chapter explains how, by rationalizing socio-political interests in its own image, the New Order actively depoliticized the majority of society through an agenda of persuasion, co-optation, and consensus based on an exclusive representation of *Pancasila* and its socio-political derivatives. In the Indonesian context, a Gramscian perspective raises two specific issues; the extent to which New Order hegemony was morally and intellectually legitimate and, in terms of the regime's disintegration in 1997/8, whether failure was one of hegemonic obsolescence due to an inability to refurbish legitimacy in the face of a nascent counter-hegemony. In political terms both issues relate to whether the New Order political bloc represented political legitimacy merely through arrangements of elite class interests or whether the bloc was able to successfully and broadly consensualise the New Order's ruling class ideas on political objectives.<sup>241</sup> Explaining political control as a consensual crafting of national-popular support therefore requires examining the political organization of the bloc, the tensions imposed upon it by opposing socio-political forces, the shifting alliances required within the bloc to accommodate these forces, and the level of

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<sup>241</sup> Hilley, (2001), p. 83. Christine Buci-Glucksmann, 'Hegemony and consent: a political strategy', in A. Showstack Sassoon, (Ed.), *Approaches to Gramsci*, (Writers and Readers, London, 1982), p. 120.

political and ideological consciousness *Pancasila demokrasi* sustained at the mass level.<sup>242</sup>

Chapter 6 outlines the bloc's ideological form and in reference to Gramscian terms examines the processes by which the New Order obtained the active consent of those it governed and to the legitimacy of their moral and intellectual leadership through their exclusive rendering of the state ideology *Pancasila*. Chapter 7 provides substance to Proposition 2 by examining critically the processes of challenge and crises leading to the eventual collapse of the Suharto New Order in 1998 and provides a narrative account of the events that led to Suharto's New Order collapsing. The research's explicit ideological approach emphasizes a Gramscian approach which requires expression through the three overlapping components of a Gramscian historic bloc as being a more effective analytical alternative than the popular 'twin-crises' approach. It is therefore appropriate that following the narrative summary of the New Order collapse there follow an explicit summary of the bloc's failure in terms of each of its three Gramscian components. Chapter 7 concludes thus with a comment as to how effectively the New Order's demise is explained through a failure of ideological legitimacy within each of the blocs' economic, political and ideological forms.

The concluding chapter 8 evaluates the sturdiness of the match between the Gramscian model of hegemonic order and New Order socio-political arrangements and argues that the collapse of Suharto's New Order is explained more appropriately as hegemonic failure through obsolescence and decay due to the regime's loss of moral and ideological legitimacy. Moreover, advancing beyond the twin economic and political crises explanation and adducing the Gramscian model, the conclusion argues that regime collapse was a consequence of ideological obsolescence through the failure of *Pancasila*, the bloc's binding ideological glue, to respond to counter-hegemonic interpretations and challenge. Thus, sensitive to the Gramscian determinism that underwrites the thesis, the efficaciousness of New Order hegemony is qualified in terms of the degree of ideological legitimacy consensually acknowledged by Indonesian society through the regime's exclusive possession of the doctrine of *Pancasila* as its only effective means of fabricating ideological conformity and socio-political unity.

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<sup>242</sup> Gramsci, (1971), pp. 55-8.

#### ***4.1 Methodology and literary sources***

This study employs research methods synonymous with accepted historical and political science analysis requiring investigation of both prime and secondary sources of information contained in academic publications, journals and media articles. The relevant literature forms two groups: those applicable to Antonio Gramsci and his works, and those concerning Indonesia. Qualitative assessment separated the literature further, into political theory and the case study to which it was applied. Theoretically, Gramsci's Prison Notebooks formed the major primary literary source, supplemented by Gramsci specialists, chroniclers and critics providing the secondary sources. Publications on contemporary Indonesian history and politics comprised the secondary sources for the Indonesian case study, and proved to be of varying quality in terms of objectivity. Although taken on their merit, and the objectivity of their authors' scholarship and experiences, this study has applied qualitative consideration to origin of publication, assessing validity of those outside of Indonesia, or within the Republic during Suharto's Presidency. The veracity of Indonesian media articles and local publications of the Suharto era, therefore require qualitative judgment, and the writer has endeavoured throughout the study to emphasize this point.

### ***5. Summary***

The aim of this thesis is to test the Gramscian model of hegemonic order in a contemporary context against the three decade socio-political and economic behaviour of Indonesia's Suharto New Order. Gramsci's understanding of hegemonic order, that views the participatory politics of a modern pluralist capitalist society as an intricate relationship between culture and politics legitimately drawing a disparate social reality into a cohesive unity, offers an ideal framework within which to explain New Order domination.<sup>243</sup> Gramsci's insights on the likelihood of hegemonic obsolescence and decay opening the way for a counter-hegemony forming about an alternative cohesive rendering of ideology clearly have much to offer in helping to explain the challenges faced by the Suharto New Order during the 1990s. Gramsci's insights also strengthen the thesis's implicit ideological approach to explaining the challenges New Order legitimacy faced from resurgent Islam, the global spread of

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<sup>243</sup> Above, section 1.6, p. 36.

liberal democracy from the late-1980s and the twin economic and political crises that led to the New Order collapsing in 1998. The Gramscian model is timely in that the very essence of Gramscian hegemony - strong socio-political decision-making based upon ideological (moral and intellectual) leadership functioning as legitimate state activity - offers a powerful means of approaching social politics in the contemporary era of Islamic socio-political resurgence. Gramsci's observations also, significantly, emphasize an element of caution. Although hegemonic discourse built around an exclusive rendering of ideology might engender a degree of genuine national consciousness and ideological unity, Gramsci reminds that on the one hand hegemony must never be taken for granted and requires constant re-assessment and, on the other, that there might be considerable variation between the pervasiveness of the state's hegemonic efforts and the degree of active participation fostered.<sup>244</sup>

Hilley's project and his insights into the Mahathirism's hegemonic project also provides valuable assistance to the thesis by validating the perspective employed through its demonstration that Gramsci's theories can be applied readily and effectively to a contemporary Southeast Asian developmental-state context. He demonstrates how robust the Gramscian model can be today by the way he was able to employ it in explaining Mahathirism's use of hegemonic discourse to rationalize the highly dynamic issues of ideology and culture and their socio-political impact on contemporary Malaysian development. Moreover, Hilley has demonstrated that considerable value can be drawn from the Gramscian model's implication that leadership prepared to assimilate traditional interests into regime agendas to ameliorate tensions between coercive and co-optive state strategies can effectively sustain consensual hegemonic legitimacy.

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<sup>244</sup> Above, section 1.4, p. 31.



## *Chapter 2*

### *The Suharto New Order and Pancasila: the dialogue of ideological legitimacy*

#### *1. Introduction*

Alagappa notes that since the end of World War 2, the principle concern for most Asian countries has been regime political survival.<sup>245</sup> Since 1945 this concern has been evinced in the proliferation of civil war, armed insurgency, *coup d'état*, regional rebellion and revolution coupled with considerable ethno-religious unrest challenging incumbent regimes. Colonial rule invariably destroyed traditional political systems so new regimes were under almost constant pressure to construct new political systems more attuned to hegemonic agendas to maintain their socio-political legitimacy. In traditional life across the region inequality existed alongside a spirit of partnership and common consultation and while government had authority over village life, it did not have so within the village where the over-riding emphasis was upon community and co-operation.<sup>246</sup> Western influence did little to alter this traditional way of life and the newly empowered indigenous classes, often themselves with roots in the former colonial system, became heavily influenced by Western political ideas.<sup>247</sup> Constitutional parliaments and national assemblies formed an “almost automatic component”<sup>248</sup> of newly independent Asian states, but the resulting democratic institutions were often merely intended to gain international respectability and, as in the case of the Indonesian parliament that functioned from 1950 to 1955 without an electoral mandate, many were patently “rotten”.<sup>249</sup> Western political ideas embracing variants of democracy, socialism, and communism fed the de-colonisation phase but as well as legitimising new political systems they also provided rallying

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<sup>245</sup> Muthiah Alagappa, (Ed.), *Asian Security Practice: Material and Ideational Influences*, (Stanford University Press, Stanford, 1998), pp. 611-6.

<sup>246</sup> Hugh Tinker, *Ballot Box and Bayonet: People and Government in Emergent Asian Countries*, (Oxford University Press, London, 1964), pp. 6-7.

<sup>247</sup> Tinker, (1964), pp. 8-9.

<sup>248</sup> Tinker, (1964), p. 63.

<sup>249</sup> Tinker, (1964), p. 54

points to challenge incumbent regimes.<sup>250</sup> Revolutionary independence movements tended to master parliamentary processes once they were in power but decisions came to be made by the movement's chief executive, thus, notwithstanding outward appearances, many functioned more as monocracies than democracies. Democracy's inherent shortcomings were further reflected in the fluctuating quality and liberality they exhibited through such variants as Malaysia's *participatory* democracy, Sukarno's *guided* democracy in Indonesia, and the *peoples'* democracy of communist North Vietnam. Shortcomings were invariably rationalised by power-holders claiming that their version of democracy merely reconciled the demands of modernisation with their peoples' respective cultures.<sup>251</sup>

Western traditions of communism and Marxism were also reinvented around local conditions to both challenge new political systems and even work in uncomfortable partnerships with them. The often self-interested manoeuvrings of party politics in the region resulted in militaries expressing varying degrees of influence over national affairs and regime legitimacy. A United States' Senate Committee report in 1959 suggested that it should be United States policy to assist the officer corps of newly independent Southeast Asian states in acquiring sufficient "administrative and managerial skills ... [to guarantee] their countrys' stability".<sup>252</sup> The balance between military and civil politics tilted back and forth with the public regarding the military as either a representative of the national will or as an executor of societal oppression. Regime legitimacy thus tended to rest not so much upon the conventions of Western democracy but upon the trust the dominant order managed to engender among their people.<sup>253</sup> Political security became the prime concern of most regimes and to legitimise their socio-political dominance national elites were required to stamp their authority on traditional life by placing a high premium upon economic development built upon national identity and unity, political stability, societal harmony, law and order.

With protecting the incumbent political system the first priority and national identity and political legitimacy under persistent challenge, the problem of political survival required addressing important questions. How the state was to be

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<sup>250</sup> Alagappa (1998) p. 616.

<sup>251</sup> Tinker, (1964), pp. 113-4.

<sup>252</sup> US Senate Committee on Foreign Relations, *Studies: United States Foreign Policy in Asia*, (Conlon Associates, Washington, 1959), pp. 61-2.

<sup>253</sup> Tinker, (1964), p. 93.

organised politically and held together, and how the social and political stability necessary for economic development to legitimise regime authority could be maintained, were major issues. Political elites came to equate regime survival with economic prosperity and recognised that the most likely source of threat would come from competing political ideas built about competing socio-cultural ideas and values. Because of their potentially adverse consequences for socio-political stability (and thus economic development) Western democratic political ideas and liberal notions of human rights came to be viewed generally in terms of a challenge to political legitimacy and thus regime survival. Where such ideas were incorporated into regime agendas their processes were selective and their use exclusive to the pragmatic needs of ruling orders ever conscious of the potential for societal instability in socio-political challenge built upon contrasting values and norms. Political power thus came to be shaped by intricate inter-relationships between power, morally legitimate rule, a strong state, a single dominant political party, and the national consciousness.<sup>254</sup> Political power also tended to rest upon a simultaneous use of coercive and consensual socio-politics. While an in-depth critique of the doctrine of *Pancasila* is beyond the scope of this thesis, this chapter will rather describe how the collection of ideas (the synthesis of traditional culture and contemporary political thought) represented by the doctrine came to address these intricate relationships by creatively institutionalising the Suharto New Order's dominance over Indonesian society. The focus here is to outline and explain the role played by *Pancasila* in the 'rise and fall' of the Suharto New Order leadership's socio-political legitimacy.

Together with the 1945 Indonesian Constitution, *Pancasila demokrasi* provided the New Order with a "formulaic representation" of how Indonesian socio-political life could be managed to compel the Indonesian people to build a unitary nation based upon an exclusive interpretation of the human values of ethnicity, religious and regional tolerance, and social justice.<sup>255</sup> Over some three decades, the New Order effectively appropriated in its entirety the meaning of the doctrine of *Pancasila* in a manner designed to legitimise the regime's total domination of Indonesian life. An extraordinary tool of mass socio-political control, the New Order's exclusive interpretation of the doctrine left no doubts in the minds of the

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<sup>254</sup> Andreas Wenger and Doron Zimmermann, *International Relations: From the Cold War to the Globalized World*, (Lynne Rienner, London, 2003), p. 294.

<sup>255</sup> Douglas E. Ramage, *Politics in Indonesia: Democracy, Islam, and the Ideology of Tolerance*, (Routledge, London, 1995), p. 186.

Indonesian people as to the allowable extent of socio-political debate and contestation. From the powerful position of an official state ideology, *Pancasila* was able to organise the most vital function of domination: by gaining social acquiescence to ideological conformity the doctrine conspired to institutionalise the regime's moral and intellectual legitimacy to rule. The chapter will first explain the origin and debate that surrounded *Pancasila's* institutionalisation as the ideological foundation of the newly independent unitary Indonesian Republic.

## ***2. The Sukarno 'old' order: Pancasila as the socio-political foundation of the independent unitary Indonesian state***

With the support of the Japanese during the last months of Japanese occupation a committee of prominent Indonesian nationalists was charged with preparing Indonesia for independence. From the outset the committee was polarized between those who preferred a future independent Indonesian state based on secular-nationalist principles, and those wanting an Islamic state. Sukarno broke the impasse on June 1 1945 and in a speech thereafter known as *Lahirnya Pancasila* offered a compromise: independent Indonesia would be neither an Islamic nor a secular state but a *Pancasila* state arranged about the doctrine's 'five pillars', or 'five principles', arranged in a specific order:

1. *Kebangsaan Indonesia* (Indonesian nationhood or nationalism).
2. *Internationalism/Perikemanusiaan* (Internationalism/humanitarianism).
3. *Mufakat/Demokrasi* (Unanimous/ Consensus/Democracy).
4. *Kesejahteraan Sosial* (Social Welfare).
5. *Ketuhanan Yang Maha Esa* (The One Lordship).<sup>256</sup>

The document resulting from the *Lahirnya Pancasila*, and formalising the compromise, was referred to as the *Piagam Jakarta* (Jakarta Charter) and signed in 1945 by an ad-hoc committee drawn from the original investigating committee that included both Sukarno and his future vice-president Hatta. The order the Jakarta Charter listed *Pancasila's* five principles subsequently changed from that of Sukarno's June speech and the principle of One Lordship was elevated to the top of the order. By prioritising the principle of One Lordship the tenet was seen as

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<sup>256</sup> Eka Darmaputera, *Pancasila and the Search for Identity and Modernity in Indonesian Society*, (E. J. Brill, Leiden, 1988), p. 150

implying a 'guiding' principle to which the other principles would be subordinated. Compounding future controversy, the Jakarta Charter also added to the first principle the phrase: "... with the obligation to carry out the Islamic *syari'a* for its adherents."<sup>257</sup> The extra phrase seemed to further imply that the state would assume responsibility for encouraging, if only among Muslims, the eventual realisation of Islamic law.

*Pancasila* thus became a compromise between those who wanted an Islamic state and those desiring a secular state and, as represented by the Jakarta Charter, was intended to guide the drafting of Indonesia's first constitution in 1945. To placate those non-Muslims seriously concerned by the One Lordship implications, the Constitution's preamble omitted the obligation that the state enforces Islamic *syari'a* for Muslim adherents. When the 1945 Constitution was finally ratified the meaning of *Pancasila* therefore differed from that of the Jakarta Charter. While the first section of Article 29 of the Constitution affirmed the state would be based on the principle of One Lordship, the second section diluted the principle by guaranteeing the freedom of every person "to profess his/her own religion and to worship according to his/her own religion and belief", which merely implied fealty to a single deity.<sup>258</sup>

Eventually, after three years of military hostilities, the Dutch agreed in December 1948 to recognise the sovereign Republic of Indonesia and work began on a new, albeit provisional, 1950 Constitution that was intended to be ratified by an elected Constituent Assembly. As the first general election was not held until 1955 after some ten years of theoretical independence, an elected Constituent Assembly finally began work on the new constitution in November 1956. The Assembly was immediately, and irreconcilably, divided into three factions. There were those who wanted the amended *Pancasila* to underpin the state (mostly nationalists, Christians, and Hindus), those who wanted to exchange *Pancasila* for an Islamic foundation to the state (Islamic groups), and those who wanted to build the state upon *Pancasila* as a simple socio-economic construct (the communist and socialist groups). After three years of debate and stalemate President Sukarno broke the deadlock on July 5 1959, dissolved parliament, and decreed a return to the original 1945 Constitution.

Returning to the 1945 Constitution *without* the refinements of the Jakarta Charter was clearly a defeat for the Islamists but the move seemed to have the support

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<sup>257</sup> Cited in Darmaputera, (1988), p. 153.

<sup>258</sup> Cited in Darmaputera, (1988), p. 156.

of the majority of the Indonesian people including the ABRI leadership. The inability of the Constituent Assembly to reach consensus and the machinations that informed political debate disturbed most Indonesians and the generals saw parliament's lack of cohesion as a likely flow-on to disunity and social instability. ABRI also favoured the 1945 Constitution as it represented the nation symbolically returning to the 'pure 1945 revolutionary spirit' that had given painful birth to the Republic and their growing importance within it. Dissolving the Constituent Assembly also ended Indonesia's brief experiment with liberal democracy and the beginning of Sukarno's Guided Democracy. Guided Democracy was Sukarno's practical application of a national spirit of *gotong rojong* (co-operation) intended to unite the forces of Nationalism, Religion and Communism, but failed to reconcile the diverse interests that the working acronym NASAKOM represented.<sup>259</sup> By 1966, unable to unify the nation and settle sectarian differences, NASAKOM had come apart, forced the military with the help of the student movement and rural Muslims to end President Sukarno's authority, and opened the way via a coup attempt to establishing a new socio-political order.

### ***3. The Suharto New Order and Pancasila as an ideology of integration, unity, and conformity***

Conscious of the abject failure of the earlier flirtation with liberal democracy, and the more recent experience of Sukarno's Guided Democracy, the secular-nationalist leaning, predominantly Javanese, military leadership of the Suharto New Order returned to the original spirit of *Pancasila* as formulated in the preamble to the 1945 Constitution. The New Order generals viewed the right and left deviations away from the original spirit of *Pancasila*, represented first by liberal democracy and then later by Sukarno's NASAKOM, as dangerous extremism and that the primordial consequences of future similar misinterpretations of the doctrine had to be avoided at all cost. *Pancasila* could not be allowed to lean too far to the left or right as before and returning to the original spirit of the doctrine enabled the New Order generals to re-invent the doctrine as an ideological construct that could

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<sup>259</sup> NASAKOM was a Sukarno anagram representing a union of the three main streams of Indonesian life that supported the government and the revolution: *Nasionalism*, *Agama* (religion), and *Komunism*. John Hughes, *The End of Sukarno*, (Angus and Robertson, London, 1968), p. 84. J. D. Legge, *Sukarno: A Political Biography*, (Allen and Unwin, London, 1985), pp. 324-8.

legitimise their direct control over the conduct of every citizen, official, and state and social institution.<sup>260</sup>

By reaffirming *Pancasila's* five principles the New Order drew directly from the foundation of the 1945 Indonesian Constitution and the Indonesian state. The first principle, belief in God, while proclaiming Indonesia to be a 'religious' state, insisted that the state would not be based on any particular faith. Secularism had unfortunately been associated with Communism and earlier negatively associated with liberal democracy so while Indonesia was to be a religious state it was not to be specifically secular or Islamic. The second principle called for a just and civilised humanity. The third principle, national unity, demanded that regional and ethnic loyalties be foregone in favour of allegiance to a *unitary* Indonesian state, and the fourth principle committed the state to an Indonesian-style democracy (*Pancasila demokrasi*) which would re-emphasise traditional Javanese *musyawarah* (consultation) and *mufakat* (consensus). By emphasising the two *Islamic* terms the New Order was assuring those wanting an Islamic-oriented state that their concerns and beliefs would be broadly accommodated within *Pancasila*. As interpreted by Suharto (and Sukarno earlier in his Guided Democracy period) *Pancasila demokrasi* acknowledged that the Western form of parliamentary/party democracy was incompatible with traditional forms of Indonesian decision-making. The fifth principle, social justice and welfare, assumed a goal of prosperity through economic and social egalitarianism and that the state would exist for the well being of the collective rather than the individual. Through its interpretation and representation of the principle of social justice and welfare the New Order was able to justify ideologically a direct role for itself in the national economy and economic development.

*Pancasila* came to pervade virtually every aspect of Indonesian socio-political discourse during the three decades Suharto ruled Indonesia and the regime consistently represented the creed's five principles to convince the Indonesian people that their leadership remained responsive to the peoples' general wishes. Adhering to the requirements of the 1945 Constitution, and holding five-yearly elections, gave an impression of democracy (albeit not a very liberal form) and

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<sup>260</sup> Decree no. II/MPR/1978, *The Guide to the Enlivening and the Implementation of Pancasila* (*Pedoman Penghayatan dan Pengmalan Pancasila – Ekaprasetia Pancakarsa*; more popularly known as P4) quoted in Darmaputera, (1988), p. 161.

strengthened the regime's appearance as the legitimate aspiration of the Indonesian people. In theory, all social groups had an official voice in the political process and although after 1975 confined to a restricted grouping of highly manipulable political parties, political representation functioned to address, however conservatively, all of the permitted subjects of debate and criticism. It had been the Republic's founding fathers' intention that the Indonesian state would be totally integrated with all elements of state and society co-existing as an organic singularity. In such a schema emphasis was given to social obligations, rather than to individual rights that would limit the state's powers of intervention. As such, the idea of *Pancasila* as an all-embracing national creed stressing the importance of social obligations gained favour with the military leadership. Portrayed as a fully-fledged ideology *Pancasila* became central to the regime concept of a totally integrated society.

### ***3.1 Pancasila and ideological conformity***

The predominantly Javanese establishment elites of the New Order were determined that the liberal, competitive, political-party system, implied by Western-style parliamentary democracy, was inappropriate to Indonesia's complex pluralist diversity. The socio-political chaos of the earlier Sukarno regime convinced the New Order leadership that if the Indonesian state became linked formally and politically to Islam, national unity would be difficult to achieve. As an ideological pillar upon which they might construct a unified Indonesia an exclusive interpretation of *Pancasila*'s somewhat nebulous ideals, logically extended into political form as *Pancasila demokrasi*, provided an ideal framework for socio-political conformity and cohesion. As the basis upon which the regime intended to build its relationship with Indonesian society *Pancasila* provided ideological justification for rejecting liberal democracy. Because of its propensity for adversarial and oppositional politics that tended to sharpen ideological differences causing conflict and suspicion the Western understanding of liberal democracy was viewed by the New Order as deviating from *Pancasila*'s true meaning and intent as a path to stability.<sup>261</sup>

In late 1967 Suharto outlined the key role the New Order intended to attribute to *Pancasila* in ensuring ideological conformity. He would legitimize his regime by returning to the 1945 Constitution and a "pure implementation" of

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<sup>261</sup> Ramage, (1995), p. 27.



*Pancasila* but he warned that the process would require nothing less than the arrangement and ordering of the “entire life of the people, nation, and state.”<sup>262</sup> While the ABRI would be called upon to play the key role in upholding and protecting both *Pancasila* and the Constitution they would not, Suharto emphasised, impose a military dictatorship against the people’s will. The sacred soldier’s oath, he reminded Parliament, swore allegiance to ABRI’s role as strict defenders of the “fundamental institutions of the state”.<sup>263</sup>

From the outset, rather than occupy themselves with conventional understandings of external threat, the new regime regarded their own socio-political survival as the principle security concern to be faced so they chose a strategy that defined security as an all-inclusive political, economic, and social concern. From its very inception, the New Order thereafter rejected participatory politics in favour of direct state political and ideological control to achieve what they viewed as the “inextricably linked objectives of political stability and economic growth”.<sup>264</sup> To create the social stability deemed an essential pre-requisite for an independent, unitary, sovereign, just, and prosperous nation, Suharto’s New Order appropriated the socio-political obligations of *Pancasila* and the Constitution through the combined coercive power of the state and the consensual acquiescence of society.<sup>265</sup> Aware that *Pancasila* provided the only means of unifying Indonesia’s ethnic and cultural diversity within a single political system and ensuring the integrity of the unitary state, the New Order also realised that society had to be convinced to accept the doctrine’s precepts in their entirety.<sup>266</sup>

To represent *Pancasila* in a format that would gain ideological acceptance, the New Order was obliged to employ three progressive strategies: it had to insist on strict ideological conformity, it needed to place society under tight socio-political control by limiting political participation and, importantly, the New Order

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<sup>262</sup> State address by acting-President Suharto before a session of the Interim People’s Representative Council, translated from an official government transcript, and reproduced in David Bouchier and Vedi R. Hadiz, (Eds.), *Indonesian Politics and Society: A Reader*, (Routledge Curzon, London, 2003), pp. 37-41.

<sup>263</sup> Bouchier and Hadiz, (2003), p. 41.

<sup>264</sup> Dewi Fortuna Anwar, ‘Indonesia: Domestic Priorities Define Domestic Security,’ in Muthiah Alagappa, (Ed.), *Asian Security Practice: Material and Ideational Influences*, (Stanford University Press, Stanford, 1998) pp. 478-83.

<sup>265</sup> The New Order elite had an obvious interest in perpetuating loyalty to the 1945 Constitution as it gave enormous power to the executive. Significantly the Constitution is also firmly included in the Armed Forces’ oath of allegiance.

<sup>266</sup> Dewi Fortuna Anwar (1998) p. 486.

had to be seen to bring about successful economic development.<sup>267</sup> Ideological conformity required gaining total acceptance of the regime's exclusive rendering of *Pancasila* as the only ideological basis upon which political parties and social organisations could operate. The necessary socio-political control came about through the rationale of the 'floating mass' theory that intellectually justified the total de-politicisation of Indonesian society.<sup>268</sup> Appalled by the bloody post-coup events of 1965-6, that starkly evinced the causal relationship inherent in Indonesian society between ideology and violent political behaviour, the New Order determined to de-ideologise society so that elite politicians might never be able to mobilise the masses to violence around "ideological orientations".<sup>269</sup>

To protect simple villagers from being confused or misled, political parties would not be permitted to operate below the district level but the official state political organ GOLKAR was exempt and permitted to campaign direct to villagers at the grass roots of Indonesian society.<sup>270</sup> The requirement that all civil servants (including the military, district and village officials and functionaries) be members of GOLKAR extended regime access directly to every level of Indonesian society and virtually guaranteed GOLKAR success at every New Order election. GOLKAR subsequently polled in excess of 60% of the popular vote at every election run by the New Order. With the legislative and judicial branches of government firmly under executive control the instruments of total socio-political subjugation were firmly in place and it only remained for successful economic development to rubber-stamp the legitimacy the regime sought to justify its strategies. The restrictions placed on all social, political, and economic organisations required official sanction before they could operate which served to broaden executive control to the extent that most organisations became mere extensions of executive authority able to be manipulated

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<sup>267</sup> Dewi Fortuna Anwar (1998) p. 499.

<sup>268</sup> The 'floating mass' theory was conceived as a response to the regime's fear of mass politics encouraging political affiliation around ethnic, regional, and in particular, religious affinity. The depoliticising effects of the 'floating mass' theory would separate grass-roots interests from political parties so that nothing would distract the nation from *pembangunan* (development). The *Pancasila* derivative, *dwi fungsi*, functioned to enable military influence to penetrate through society down to the village level in performing its self-appointed role as guardian of ideological values and conformity.

<sup>269</sup> Ramage (1995) p. 186.

<sup>270</sup> Liddle, (1997), p. 280. GOLKAR (Joint Secretariat of Functional Groups – Sekretariat Bersama Golongan *Karyu*); established by General Ali Murtopo in 1964 to promote ABRI's parliamentary interests following Sukarno's pronounced lean to the left. A wide range of functional groups that comprised Indonesian society united in one political party including the military, bureaucracy, civil service, trade unions and other approved sectional groups. GOLKAR became little more than a 'vote-amassing' tool representing primarily the interests of the military leadership and the bureaucracy.

in controlling and mobilising society behind regime-led national development.<sup>271</sup> Until the regional financial crisis of 1997, and with the exception of a small, albeit steadily growing, educated middle class, the majority of the population nevertheless remained reasonably content to accept their manipulation and to trade political liberties for economic growth.

### ***3.2 Pancasila and its symbolism in achieving socio-political control and conformity***

#### ***3.2.1 Dwi Fungsi***

The state employed a variety of institutions and symbols to manage the potential instability inherent in Indonesia's social and ethnic diversity. In maintaining socio-political control and ethnic balance, the most potent instrument was the military-initiated doctrine of *dwi fungsi* ('twin functions'; dual military and socio-political roles), an off-shoot and derivative of *Pancasila demokrasi's* all-encompassing system of governance. *Dwi fungsi's* dual capability effectively legitimised an intrusive military role within Indonesian society that gave the regime's coercive inclinations direct access into every level of socio-political life.<sup>272</sup>

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<sup>271</sup> Dewi Fortuna Anwar (1998) p. 501.

<sup>272</sup> *Dwi fungsi* epitomises ABRI's involvement in politics. The doctrine asserts that it is "legitimate and necessary" for ABRI to assume both military and non-military roles and was endorsed in doctrine in 1966 and legislated in 1982 (a bill entitled 'Basic Provision for the Defense and Security of the Republic of Indonesia' in 1982). ABRI's military responsibility has been to secure and defend the state with its non-military responsibility being to "function as the guardians of the people". The crushing of regional revolts in Sulawesi and Sumatra in the late-1950s was followed by a "penetration of military officers into political, economic and administrative functions" to facilitate their guardianship of society. The doctrine had been clarified by the then-Army Chief Nasution in 1958 when he called for the military taking a *jalan tengah* (middle way) in which they would neither function as a civilian 'tool' as in Western countries, nor as a military dictatorship as in numerous South American countries. The Armed Forces, in Nasution's view, were to be merely one of many forces in Indonesian society. *Dwi fungsi* was first represented to legitimize ABRI's political activism at the First Army Seminar in April 1965. Acknowledged as a revolutionary concept, the doctrine defined ABRI's role as one among the number of *Golongan Karya* (Functional Groups) that Sukarno intended to underpin his integrated *Pancasila*-based socialist state. While the 1965 Seminar first separated and defined ABRI's defence and socio-political roles, it was the Second Army Seminar in August 1966, immediately following Sukarno's effective removal from power, that interpreted how New Order civilian-military relations were to be organized as a doctrinal fusing of a number on military concepts based on anti-communism, *Pancasila* and the 1945 Constitution. This latter, more advanced version of *dwi fungsi* defined the military-based nature of the future New Order and confirmed ABRI's over-riding commitment to modernization through economic and socio-political development underpinned by societal unity and stability. Formed at a time of national crisis, within an effective power vacuum between the two Army Seminars of 1965 and 1966 (while pro-Sukarno and pro-PKI elements and sympathizers within the military were still being purged), *dwi fungsi* was the basis on which ABRI would legitimize its role as the prime socio-political force in national politics. Terence Lee, 'The nature and future of civil-

From the earliest years of independence the predominantly Javanese, secular-nationalist orientated, military leadership was determined that Indonesia be not an Islamic theocracy but a state in which all forms of religious observance, including Islam, would be permitted. The constant clash of religious and nationalist interests, and the Islamic-backed *Darul Islam* revolts of the first decade of independence, convinced Sukarno and his generals that *Pancasila*, being essentially a doctrine of unity, carried immense potential as a counter to Islam's social and political divisiveness. Having proved their indispensability during the earlier rebellions and revolts, the military demanded a permanent role in governance and the influential General Nasution's 'middle way' concept (whereby, as he put it, the military would neither seek to take over government nor remain politically naïve) institutionalised the military as the nation's prime socio-political force responsible for "ameliorating religious and nationalist differences".<sup>273</sup> Drawing political value from the regime's interpretation of *Pancasila* that treated Indonesian society as a depoliticised 'floating mass' and legitimised ABRI's role, *dwi fungsi* carried vast potential for ensuring ideological conformity through every level of society. Justifying military intervention into every aspect of Indonesian socio-political life, *dwi fungsi* enabled state officials and military officers to monitor the activities and inclinations of all political parties and social organisations down to the very grass-roots of society in the name of national security.

### 3.2.2 *Sara*

An additional powerful tool of socio-political control and rigid conformity was the state's proscription of unacceptable subjects of debate and expression through the acronym *Sara*.<sup>274</sup> The term clearly defined the range of sensitive socio-political issues that the regime felt should never, under any

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military relations in Indonesia' in *Asian Survey*, Vol. XL, No. 4, July-August 2000, pp. 694-5. R. William Liddle, 'A Useful Fiction: Democratic Legitimation in New Order Indonesia', in R. H. Taylor, (Ed.), *The Politics of Elections in Southeast Asia*, (Cambridge University Press, Cambridge, 1996), pp. 34-60. Jun Honna, *Military Politics and Democratisation in Indonesia*, (Routledge Curzon, London, 2003), pp.54-5, pp. 86-7. John A. MacDougall, 'Patterns of Military Control in the Indonesian Higher Central Bureaucracy', in *Indonesia*, Number 3, April 1982, p.100. David Bouchier and Vedi R. Hadiz, (Eds.), *Indonesian Politics and Society: A Reader*, Routledge Curzon, London, 2003), p. 36.

<sup>273</sup> Harold Crouch, *The Army and Politics in Indonesia*, (Cornell University Press, Ithaca, 1978), pp. 45-52.

<sup>274</sup> *S* stands for *suku* (ethnic groups), *a* for *agama* (religions), *r* for *ras* (races), and *a* for *antar golongan* (conflict 'between groups'). Donald K. Emmerson, *Indonesia's Elite: Political Culture and Cultural Politics*, (Cornell University Press, London, 1976), pp. 224-5.

circumstances, be publicly discussed or employed as issues of political mobilisation and action.<sup>275</sup> *Sara* was directed at identifying those groups within society that the regime considered likely sources of conflict and thus potential instruments of socio-political instability. Mobilisation about elements of the acronym was therefore strictly off limits during New Order election campaigning because of a fear that they could instigate communal violence. Deemed totally unacceptable, were such tendencies as questioning the state ideology *Pancasila* and the 1945 Constitution, promoting socialist or Marxist thinking, calling for an Islamic state, and any other matter deemed socio-politically offensive around the sensitive subject of religion.<sup>276</sup>

### ***3.2.3 Pancasila demokrasi: tightening New Order political control through the rationalisation of the political party system***

A further important instrument complimenting the New Order socio-political management was the strategy Liddle refers to as “organisational co-optation”, an example being the 1973 redesign of the electoral system to ensure the government political party GOLKAR maintained its commanding position within the New Order version of participatory politics called *Pancasila demokrasi*. In 1973 the regime effectively dismantled and then reconstructed the political party system. GOLKAR was formalised as the official state party and the remaining parties forced into subordinate, politically-manageable, amalgamations that relocated religious and nationalist inclinations to a controlled political periphery where their activities could be tightly controlled. Concerned that a re-assertive *politika-Islam* might once again pose political challenge, the 1973 dismantling of the old political party system was intended to establish GOLKAR as a dominant, unchallenged, political expression able to effectively represent all socio-political aspirations.<sup>277</sup> By combining the political parties into two groups that adjusted and limited politics in line with their vision of a de-politicised and de-ideologised form of mass politics, the regime effectively completed the institutionalisation of *Pancasila*’s political derivative *Pancasila demokrasi*. While GOLKAR remained the party of all civil servants and government

<sup>275</sup> Editorial, *Kompas*, July 15, 1974.

<sup>276</sup> Kees van Dijk, *A country in despair: Indonesia between 1997 and 2000*, (KITLV Press, Jakarta, 2001), p. 4.

<sup>277</sup> GOLKAR (*Golongan Karya*; ‘Functional Group’). The largest groups incorporated within GOLKAR were the government and ABRI. It was compulsory that military personnel and civil servants be card-carrying members so the ‘party’ operated as an effective government controlled vote-getting machine.

employees (including ABRI), the PPP (*Partai Persatuan Pembangunan*, or Development Unity Party) fused Islamic political interests into a single political outlet for all Indonesian Muslims. To dilute Muslim aspirations even further the PDI (*Partai Demokrasi Indonesia*) combined the old PNI (*Partai Nasional Indonesia* or Indonesian National Party that had been identified primarily with upper class syncretic Muslim Javanese), the two small nationalist parties, and the two Christian parties, into a grouping of political interests that generally represented opposition to militant Islam.<sup>278</sup> Liddle suggests that the reconstitution of the party system was intended to reflect the regime's desire to offer the PPP as representing the "spiritual aspirations" of the Indonesian people, the PDI as reflecting the peoples' "material aspirations", and the state party GOLKAR as representing a "harmonious joining" of the two.<sup>279</sup> Forcing the nine pre-New Order parties into the groupings of PDI, PPP, and GOLKAR, not only tightened New Order control over the entire political system but extended GOLKAR influence into an unassailable electoral position.

#### **3.2.4 'Upgrading Course on the Directives for the Realisation and Implementation of Pancasila' (P4)**

The regime's tightening of ideological conformity took an extraordinary turn in 1978 when the People's Consultative Assembly (MPR) made the decision to force all civil servants below the rank of cabinet minister to attend a series of *Pancasila* refresher workshops, or doctrinal upgrading courses, referred to as P4.<sup>280</sup> Attendance was compulsory and because of the mass absence of civil servants from their work, proved immensely disruptive and costly for everyone. Missing one day of the two-week courses required repeating the course from the beginning. The refresher course showed that the upper levels of the regime had decided a general reaffirmation of the state ideology was necessary and took P4 extremely seriously with neither illness nor family bereavement being sufficient excuses for non-attendance.

The compulsory nature of the P4 programme, and its obvious costs, indicated the importance the regime placed upon reaffirming both the basis of socio-political unity and the instrument that underwrote the regime's ideological legitimacy.

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<sup>278</sup> Liddle (1997) pp. 280-1.

<sup>279</sup> Liddle (1997) p. 303.

<sup>280</sup> Called P4 courses being a contraction of the full Indonesian name which translates as 'Upgrading Course on the Directives for the Realisation and Implementation of *Pancasila*'.

The overall purpose of the programme was clearly to reiterate the New Order's singular interpretation of the state creed as a sensible expression of traditional Indonesian (or certainly Javanese) philosophies of life and P4, in terms of emphasising ideological conformity, represented the "clearest and most self-conscious articulation" to date of the New Order's ideological vision for Indonesian society.<sup>281</sup> While Parliament stressed P4's purpose as enhancing civil service understanding and enthusiasm for the regime's development programmes, the courses also reminded civil servants and bureaucrats of *Pancasila's* importance in ideologically justifying their employer's policies. Because motivation behind the program of indoctrination came from the President himself, and the courses re-affirmed the Armed Forces' responsibility for sustaining ideological harmony as a precondition for development, the New Order was giving clear indication that they were little inclined towards any changes to the social order in the immediate future. A policy of overt conservatism, P4 updated *Pancasila* as socio-political 'containment' rather than, as formerly, one of 'mobilisation' and in an obvious reference to approaching general elections the President was reminding ABRI of their responsibilities to both GOLKAR and the 'popular-participatory' aspects of *Pancasila demokrasi*.<sup>282</sup>

### **3.2.5 Further tightening the screws on socio-political control: *azas tunggal***

By the early 1980s the leadership apparently felt that Islam remained the only social force not totally in line and corrected the anomaly with the most controversial *Pancasila* initiative to date. Given that the decision to continue holding parliamentary elections posed one of the few remaining threats to the regime's hold over the political system, tightening socio-political control even further limiting the potential for partisan mobilisation removed this anomaly. Through a controversial process called *azas tunggal* (literally 'sole foundation') the New Order completed its socio-political control processes and, through legislation proposed in 1982 and formally adopted in 1985, the two non-government parties and all mass-based organisations were obliged to acknowledge the state ideology *Pancasila* in their organisational charters as their associations' principle *raison d'être*. From the late

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<sup>281</sup> Michael Morfit, 'Pancasila: The Indonesian State Ideology According to the New Order Government,' in *Asian Survey*, 21/8 July-December, 1981. Morfit was a researcher for the Ford Foundation in Jakarta Indonesia during the running of the State P4 program

<sup>282</sup> *Asia Week*, 6: 18, May 9, 1980. Morfit, (1981) pp. 846-7.

1980s into the 1990s, and largely in response to *azas tunggal*'s coercive implications, differing intellectual perceptions of the preferred relationship between the state and Islam came to proliferate. Although all political parties and social organisations formally acknowledged *azas tunggal* there nevertheless remained a number of alternative interpretations of *Pancasila* and its demands upon the relationship between Islam and the state, among different segments of society. While the 'real' meaning of the doctrine continued to be contested the regime maintained its firm line on what it intended the ideal to represent but, faced with challenge to the basic ideological tenets by which the nation was governed, from the early 1990s a dramatic attitudinal shift towards Islam took place extending to the highest levels of New Order power.

#### ***4. Pancasila: Islam and azas tunggal***

During the early years of the New Order, even though the generals were still cautiously establishing their authority, the leadership demonstrated open hostility towards Indonesian Islam. Their refusal to resurrect the Jakarta Charter and its ambiguous promise of Islamic law for the Islamic community, their refusal to rehabilitate the Muslim modernist party *Masyumi* (notwithstanding the enthusiastic part many of its members played in exterminating the PKI during the 1966/7 post-coup retribution), and the political restrictions placed upon former *Masyumi* leaders, evinced the New Order's implacable opposition to Muslims developing any form of independent political power base. Yet compared to this earlier attitude, from the late 1980s the regime shifted dramatically towards Islam generally and in particular the modernist intellectual stream of Islam organised as *Muhammadiyah*. *Azas tunggal*'s conception and implementation coincided with an Islamic resurgence from the early 1980s and Suharto himself was acknowledging that the relationship between the state and Islam needed updating. With *azas tunggal* in theory removing the only remaining likely threat to New Order authority, and acknowledging changing social realities, the leadership calculated that a shift towards Islam was not only justified but offered an opportunity for socio-political advantage. Highly indicative of this change in attitude was the President's support in 1991 for the formation of the modernist Association of Indonesian Muslim Intellectuals (ICMI, *Ikatan Cendekiawan Muslim Se-Indonesia*).



There were a number of ways of interpreting the President's shift towards Islam. Conceivably the President was playing a traditional power game and balancing a perceived slip in ABRI's support for his leadership by seeking a new constituency from within the increasingly pious and growing, generally modernist, Muslim middle class. It was also possible that the President was simply becoming pious in his old age. Whatever the reasons, the President was finding popular traditionalist Islamic leader Abdurahman Wahid's sustained criticism from the relative safety of his mass NU (*Nahdhatul Ulama*) power base, and now legitimised by his organisation's having accepted *azas tunggal*, increasingly disconcerting. Frustrated by his inability to influence political events Wahid had withdrawn NU from official politics in 1984 in a move that gained him considerable political credibility among traditionalist Islam's some 40 million adherents. His populist secular-nationalist message denying the desirability of an Islamic state but insisting Islam to be a necessary pre-requisite for democracy in Indonesia, annoyingly contradicted and turned the language of *Pancasila* against the New Order regime itself.

The more likely reason for the President's about-face towards Islam, and the modernist stream in particular, was political pragmatism and the political potential of the dramatic increase in piety over the recent decade within the huge, and volatile, constituency of some 30 million predominantly urban modernist middle-class Muslims. The broadly beneficial changes that had taken place under New Order development had contributed to the generally progressive and deepening Islamisation of the influential constituency that the urban middle class had become. By giving ICMI his support the President was seemingly confident that modernist Islam had given away their earlier idea of an Islamic state and, importantly, that they were satisfied they could live a pious and modern life within the guidelines imposed upon them by *Pancasila*.<sup>283</sup> But the fact remained that, notwithstanding the President's perceptions of its political utility, ICMI as an organisation was firmly committed to a deepening Islamisation of both Indonesian society and state and its formation implied a confusing ideological contradiction.

The extensive social changes brought about by the New Order and the corresponding growth in urban wealth had, as mentioned, given rise by the 1980s to a

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<sup>283</sup> Robert W. Hefner, 'Islam, State, and Civil Society: ICMI and the Struggle for the Indonesian Middle Class,' *Indonesia*, #56 (October) 1993, p. 2. In this article Hefner explores the background and formation, of the 'modernist' elite ICMI (with the President's support) as a 'struggle to capture and direct the moral allegiances of the urban middle class.'

new, culturally robust, predominantly Javanese modernist Muslim urban middle class. During the decades of economic development and social stability, urban Muslims had acquired a piety far beyond their Javanese-syncretist roots and were taking increasing comfort from the ethical disciplines and restraint implied in the variant of Islam associated with modernism. Socio-politically influential, they had the potential to threaten the critical balance that defined the relationship between New Order *Pancasila demokrasi* and Indonesian Islam. A reassessment of New Order policy was clearly timely and to ensure that this new, and potentially dangerous, urban force remained within the ideological parameters of the *Pancasila* state, Suharto fell back on his traditional, and previously successful, techniques of co-optation and compromise in response to potential socio-political challenge. His support for ICMI therefore needs to be understood in these terms and the 'corporatist' style of 'inclusion and control' that had characterised New Order social management (epitomised in the role of the regime's vote-amassing institution GOLKAR) was clearly evident in ICMI's formation, administration, and regime-controlled discursive agenda.<sup>284</sup>

The New Order had provided the circumstances for this increasingly pious Muslim middle class to come into existence in the first place and therefore expected that it would be 'faithful' (*mempunyai kesetiaan*) to *Pancasila's* implicit secular-nationalism in return. Now an increasingly visible socio-political reality the new middle class realistically expected a more participatory role in Indonesia's political life and a rejection of this reality had the potential to push Islam into opposition to the New Order. As Muslims of varying degrees of piety represented 90% of Indonesia's population it was apparent to the increasingly pious Suharto (having made the *hajj* and been to Mecca) that Islam had to be given a greater role in socio-political life. ICMI fulfilled this role in typical New Order tradition and the activities and operation of the new Islamic voice given to the organisation were rapidly, and effectively, co-opted by the regime.

Criticism of ICMI's formation and its likely socio-political agendas was widespread. The organisation appeared to legitimise exclusivism and sectarianism thereby contradicting the inter-religious tolerance and democratic nationalism enshrined in *Pancasila*. It also seemed to represent an attempt to politicise a

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<sup>284</sup> David Reeve, *Golkar of Indonesia; an alternative to the Party System*, (Oxford University Press, Singapore, 1985), pp. 322-64.

significant section of Indonesian Islam that was susceptible to manipulation by the regime. The loudest critic of ICMI's overt sectarian and exclusivist position was Abdurrahman Wahid, the chair of both NU and Forum Democracy, but senior ABRI elements opposed the organisation's formation from the very outset and influential army officers had firmly petitioned the President against ICMI's formation. Their main line of criticism was that some factions within ICMI might merely use the organisation, and thus Islam, as a means to gain personal political advantage. When the degree of Presidential support for the organisation became apparent overt criticism from ABRI ceased but to the amazement of the organisation's critics, within months of its formation, ICMI activists had access to the media discussing Islamic socio-political issues to an extent that would have been regarded as subversive a few years earlier. Notwithstanding early efforts by a number of the association's reform-minded independents to establish positions opposing the regime, an influx of new members from the ranks of the government bureaucracy began to dominate and gradually undermined the organisation's autonomy. By 1996 influential ICMI luminaries had moved into the GOLKAR leadership and ICMI's director, Suharto protégé B. J. Habibie, was using the organisation to acquire a solid modernist Islamic base for himself and any future political aspirations the President might have held for him. By taking over administrative and secretarial control of the organisation, Habibie and staffers established a line of control and influence that linked ICMI's affairs directly to the President's office.

#### ***4.1 Azas tunggal: societal consensus and ideological conformity***

There were four notable aspects to the New Order's maintenance of ideological conformity in the face of the 1980s Islamic resurgence. While the regime's behaviour in providing modernist Islam a controlled socio-political outlet through ICMI reinforced conformity the organisation's sectarian implications also gave rise to a questioning of the New Order hold on power. While New Order legitimacy had been buoyed by a decade of successful economic development and the regime had successfully institutionalised ideological conformity with all politics now based on *Pancasila demokrasi*, ABRI's privileged position over Indonesian society since independence, and the institution's influence over the nation's leadership, was now the subject of intra-regime rivalry, as well as being

questioned by most Indonesians. In general though religious elite discomfort with the restrictions placed upon them by *Pancasila* itself appeared to be easing, under Abdurrahman Wahid's leadership, and voicing the aspirations of traditionalist Indonesian Islam, NU had emerged as a dynamic element for ideological conformity and, refreshed spiritually by his *hajj*, the President's agreement to the formation of ICMI, had clearly endorsed a participatory voice for Islamic thought. Nonetheless, while a new generation of Islamic scholars were supporting Wahid in their depiction of Islam as inclusive and democratic (without necessarily demanding an Islamic state) the sectarian nature of ICMI and NU with their mass followings, hinted darkly at a possible return to the earlier primordialism of mass-based *politika-Islam*. Any such politicisation of sectarian interests would clearly contradict the secular commitment inherent in *Pancasila demokrasi* and thereby the stability the establishment elites had come to rely upon.

Four distinct, potentially oppositional, 'voices' adopted *Pancasila* as ideological discourse to promote their interests during the post-*azas tunggal* era; traditionalist Islamic opinions and views centered about Wahid chairing both NU and Forum Democracy; modernist Islamic views associated with ICMI; ABRI's views; and, with growing enthusiasm and also linked to Forum Democracy, a broad range of secular-nationalist voices finding establishment support through the PDI claiming nationalism and democracy as their political motif.<sup>285</sup> All four voices took advantage of the new and complex political environment heavily influenced by Islam's domestic and international revival, the increasing appeal of democratic ideas, and the socio-political changes demanded by the beneficiaries of successful economic development. In what had become a more open socio-political environment compared with the previous decades of repression an increasingly vocal and diverse range of societal interests had discovered there was utility in appropriating *Pancasila* to support their claims to a greater say in national life.

#### ***4.1.1 Pancasila and 'traditionalist' Islam in the post-azas tunggal era***

While a pragmatic representation of *Pancasila* continued to underpin the regime's socio-political and economic legitimacy, the doctrine had also become an

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<sup>285</sup> Ramage (1995) p. 5.

ideal vehicle for legitimising NU's political activities and Wahid's loyalty to the doctrine and his avowed commitment to secular democracy strengthened his nationalist credentials. As leader of NU, Wahid was appropriating *Pancasila* to his own worldview by calling for an Indonesian Islam firmly committed to a politically secular, nationalist, state. Alternatively, as head of Forum Democracy, he represented the 'official' voice of secular-nationalist challenge to the New Order's interpretation of *Pancasila*. Formed in March 1991 by a group of forty-five prominent intellectuals the Forum, while claiming to have been a reaction to ICMI, was clearly a challenge to the Muslim association.<sup>286</sup> As the public face of secularism, the Forum encouraged a committed return to the national unity believed under threat from a growing tendency towards religious and ethnic disharmony. By calling for the elimination of sectarian-orientated groupings such as ICMI, Wahid claimed to represent the Forum's genuine *Pancasila*-nationalist orientation. The Forum saw the New Order's involvement in ICMI as confirming the disconcerting rise in sectarianism and, ominously, the likelihood that the regime was manipulating racial and religious issues for political gain. While the regime tried to counter Forum Democracy by portraying its activities as contrary to *Pancasila*, Wahid was careful to stay within the doctrine's framework even though he tended to appropriate it somewhat differently as leader of NU than as the Forum's leader. His NU strategy was one of 'de-confessionalism,' while as leader of the Forum he placed emphasis on promoting democracy and specifically the need for a religiously tolerant society as a *pre-condition* to eventual enhanced democracy. But secular-nationalist credibility suffered in that although they included some prominent Muslims within their ranks the majority of their supporters were non-Muslim. Unable to channel their political aspirations of a more democratic society through Islam or its organisations the secular-nationalists therefore found themselves increasingly vulnerable to Islam's growing politicisation. Secular-nationalists also faced the dilemma that guaranteeing their rights under *Pancasila* might in the future force them to seek the protection of the military. Thus, the post-*azas tunggal* period left secular-nationalists wedged between popular demands for an Islamic society (or even an Islamic state) on the one hand, and continued domination by a military-backed regime (albeit one more attuned to their interests) on the other.

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<sup>286</sup> R. E. Elson, *Suharto: A Political Biography*, (Cambridge University Press, New York, 2001), p. 271.

*Pancasila* continued to be appropriated during the 1990s by an array of political interests for often-contradictory purposes. Mainstream Muslim activists became more prepared to drop their previous opposition to Suharto and his interpretation of *Pancasila* in return for a chance to work within the establishment through ICMI for a society in which politics and government policy might better reflect Islamic values. So that they could effectively promote their vision of a more Islamicised society (in apparent contradiction of the regime's understanding of *Pancasila demokrasi*) ICMI activists used Presidential support to gain influential positions in the bureaucracy and government. But the most provocative development of the era was Wahid and NU's blatant appropriation of *Pancasila* to express values and ideas that offered a more accessible and inclusive interpretation of *Pancasila* as a political compromise to enable all Indonesians to live together, as he put it, in a "rational, unitary, *non-Islamic* state."<sup>287</sup> There were, nevertheless, problems in Wahid's more accessible conception of *Pancasila* as his stance drew opposition from elements within the military as well as sections of the Islamic community itself. In contrast to Wahid, who saw *Pancasila* as a necessary precondition if Islam was to be rational in the national sense, there was the problem that many Islamic modernists wanted to 'Islamicise' Indonesia as their vital and necessary precondition for democratisation.

#### **4.1.2 *Pancasila and modernist Islam in the post-azas tunggal era***

NU was not the only non-state actor appropriating *Pancasila* to question New Order legitimacy. ICMI's establishment in December 1990 not only brought Islamic modernism onto the political stage but also accentuated the growing rivalry between Indonesia's religious elites. Largely staffed and run by government bureaucrats, Habibie associates and staffers, ICMI members reflected the aspirations of several groups of Muslim theologians and scholars, and included Islamic activists, politicians and government bureaucrats. ICMI's political significance was its signal that the President's attitude and approach towards the relationship between Islam and the New Order was dramatically changing. While, on the one hand, Suharto appeared to have sensed that he was losing ABRI support for a further Presidential term, on the other, he apparently felt less threatened by a resurgence of political Islam and was

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<sup>287</sup> Quoted in Ramage (1995) p. 51.

prepared to gamble on its compliance and willingness to accommodate his representation of *Pancasila* if he could exploit the modernist constituency to his advantage. Had not *azas tunggal* ensured that all organisations and political groupings fell into line behind *Pancasila demokrasi*? ICMI therefore provided Suharto with a legitimate opportunity to offer an alternative, more acceptable, Islamic voice to the rhetoric of challenge and potential societal disharmony the regime felt Wahid, NU and the PDI offered.

As a legitimate establishment organisation, ICMI was well placed to effectively represent the new urban, middle-class, increasingly pious, educated, Muslims that were benefiting from the regime's successful development programme (*pembangunan*). Muslim activists and intellectuals involved in the organisation may have been politically naïve and were being cynically used by Suharto to strengthen his socio-political position. But whether the ICMI initiative was a response to an increasing divergence of interests between the President and ABRI (and other elements within the ruling establishment), or simply a reflection of Suharto's acknowledgement of an emerging political constituency that he could not dare ignore, many ICMI activists felt the opportunity to enter politics and talk openly about political issues outweighed accusations from the regime's Islamic opponents that ICMI was merely another corrupt tool of Suharto's ambitions.

While ICMI's creation had shown that Wahid and NU were no longer the only strong voice speaking on behalf of Islam, the organisation's makeup suggested that the Islamic voice it represented was supportive of the President's desire to prolong his Presidency. ICMI was the only significant official Islamic organisation created during the New Order and its theoretical commitment to *Pancasila* provided Suharto with a high profile, socio-politically acceptable, balance to ABRI support. The President's patronage and support for the organisation needed therefore to be understood in terms of socio-political realities. While Islam was clearly undergoing a cultural resurgence, many of the influential Muslim figures involved in ICMI were finding few problems with the New Order's representation of *Pancasila* and appeared comfortable with the regime's continued strict proscription of explicit Islamic political activity. From 1985 it was also apparent to many influential Indonesian Muslims that the problems Indonesian society faced was not necessarily the fault of *azas tunggal* and *Pancasila* but the consequence of specific New Order policies and society's growing antipathy towards the regimes unitary interpretation of the state

doctrine. Many Muslims also felt that *Pancasila* could comfortably satisfy their religious interests in the context of an Islamic society rather than an Islamic state. Moreover, during the post-*azas tunggal* era, because of their moderate and modernizing inclinations, Muslims were generally being regarded much less suspiciously by the regime. ICMI, therefore, presented an opportunity for Islam to show that Muslims need not be a threat to the New Order generally and Suharto's continued Presidency in particular. Even though ICMI spokesmen carefully avoided any negative references to *Pancasila* wider Muslim apprehension towards *Pancasila* remained, as did the belief among a pious Islamic minority (increasingly frustrated by what they regarded as the excesses of development and modernity) that only Islam could ever truly unify the Indonesian state. In such terms, the pious minority viewed *Pancasila* as little more than a convenient, relatively unproblematic, means by which *politika-Islam* might be resurrected in the changing socio-political environment of the 1990s.

#### ***4.1.3 Pancasila, democratisers, and ABRI during the post-azas tunggal era***

Most leading Indonesian democratisers disagreed with the regime view that liberal democracy was contrary to *Pancasila* and maintained that the doctrine's powerful ideologically unifying tenets meant the doctrine was an essential prerequisite to any future deepening of the democratisation process. *Pancasila* had initially been captured by the New Order as their discourse of moral and intellectual legitimacy, but the doctrine was now being used by a diverse and increasingly vocal opposition to rationalise more open political debate within the otherwise highly restrictive political system. Whereas the New Order's institutionalised depoliticisation of Indonesian society had long denied even moderate sectarianism a channel for political expression, through the 1990s the floodgates began to open to broader political expression and *Pancasila* became the preferred 'enabling' discourse of oppositionists and reformists alike. NU and *Muhammadiyah* could claim support from some 80 million Indonesian Muslims between them from both ends of the class spectrum but it was the latter, given socio-political expression through ICMI, that had gained access to the elite power structure. While *Pancasila's* constraining structures still left little space for secular-democratic voices, the religious elites (both NU and



ICMI factions) were now showing that there was some leeway available for so-called 'non-political' organisations such as theirs to bring Islam into the reformist debate.

ABRI's main concern with ICMI (and also with NU) was the organisations' potential to organise and legitimise Islamic appeals to 'primordial' loyalties that might lead to a resurrection of the ideological problems that had plagued the new Republic before the military had been forced to take charge and restore order. That the military had long viewed the form of liberal democracy associated with the more 'democratic' members of ICMI as incompatible with *Pancasila* also made the organisation politically suspect. With ICMI activists calling for less ABRI political influence and interference in societal affairs tension developed to the extent that most military officers remained suspicious of both the organisation's agendas and in particular its chairman, B. J. Habibie's political aspirations.

## ***5. Pancasila's relevance to Indonesian life***

Independence had enabled differing streams of thought to entertain conflicting interpretations as to the relevance of *Pancasila* to Indonesian life. In 1956 the eminent Indonesian sociologist, Professor van der Kroef, identified three ways of understanding *Pancasila*: from the standpoint of traditional communalism, from an Islamic (both its traditional and modernist forms) perception, and from a neo-liberalist perspective.<sup>288</sup> He characterised traditional communalism as a strong sense of linkage between community and patrimonialism and the idea of a close interconnection between all spheres of human activity (be they political, economic, or social) by which no action could be possible in one area of society without decisively affecting others. Dominating the tradition has been a pervasive sense that the supernatural exists alongside an animistic world-view that views every event and natural object as divinely ordered. This communalistic/patrimonialistic world-view also relies strongly upon traditional territorial affiliations of kinship where the village is a large family that forms an inseparably linked community. Van der Kroef made the important point that if a doctrine such as *Pancasila* was to be successful as the basis of a binding national ideology it had to be formed upon some modicum of common agreement linking popular contemporary opinion with traditional thought.<sup>289</sup> As more than 70%

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<sup>288</sup> Justus Maria van der Kroef, *Indonesia in the Modern World (Part 2)*, (Masa Baru Ltd., Bandung, 1956), pp. 198-251.

<sup>289</sup> van der Kroef, (1956), p. 198.

of the Indonesian people shared a traditional communalist/patrimonialist pattern of thought, without such a linkage *Pancasila* is difficult to explain satisfactorily and the doctrine would carry little relevance to Indonesian life.

It is difficult to generalise Indonesia's diverse range of communal, cultural and social patterns yet van der Kroef's notion that the idea of humanitarianism implicit in *Pancasila* tends to be over-shadowed by other more traditional virtues makes sense. A collective community that permits differences of opinion and views contrary to those of the majority seems far removed from the form of participatory democracy (largely derived from Western political thought) implied for example in *Pancasila demokrasi*. The types of power structures that underpin traditional Indonesian communal life also seem quite alien to the socio-political egalitarianism implied in *Pancasila*. Moreover, a predetermined and rigid traditional communal social order "sanctioned by religious authoritarianism" has none of the flexibility associated with the secular democracy implicit in *Pancasila demokrasi*.<sup>290</sup> The traditional village-based unity of social, religious, economic, and political functions shares little with the idea of *Pancasila demokrasi* and representative government. Traditional authority did not arise out of popular delegation but was conferred upon those who earned and gained legitimacy through some special, sacred, patrimonial, or traditional, competence, rather than allegiance to vague doctrine.

When the issue of cultural conflict arises, Indonesian society is also broadly divided on the question of democratic resolution of disagreement. Defined in traditional Javanese terms as *mufakat* (consensus and agreement) and *musjawaret* (consultation or discussion) the idea of democracy implicit in *Pancasila demokrasi* becomes somewhat vague and abstract, merely hinting at some future just and fair arrangement that will somehow resolve differences and conflict. Included in the idea of *Pancasila demokrasi* (and a living reality of village life constantly evoked by both Sukarno and Suharto) was *gotong rojong* (mutual assistance and co-operation) that suggested individuals had an obligation to serve the collective interest of the community and implied organised opposition to be not only anti-social but clearly out of place in the cultural schema of traditional life. Among the more Western-orientated (generally non-Javanese) who see themselves as threatened by Javanese dominance and desire more individualism, democracy is seen as a liberating force that

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<sup>290</sup> van der Kroef, (1956), p. 206.

can release the people from more traditional authoritarianism. To them democracy actually implies institutional checks on authority, the Western political idea of regulatory checks and balances, individual rights, the rule of law, and institutionalised political opposition.

While Indonesia is nominally an Islamic country the majority of its adherents are *abangan* and practice their faith in a haphazard manner that barely observes the five main religious duties required of a Muslim. Islam's liberating message that man was no mere pawn in some vast cosmic game, but a unique creature of intelligence and capacity able to shape the world he lives in, is at odds with traditional belief. Traditional village authority still maintains its hold over the majority of the people and most Javanese have been reluctant to forgo their "richly, imaginative, intimate mythology" for the solitude of man and his creator as implied in Islam.<sup>291</sup> Moreover, to the devout, the difficulty with *Pancasila* can be theologically profound. The Muslim belief in the absolute unity of God (that Allah is the sole, personal and complete manifestation of the divine) allows no compromise with animism, ancestor veneration, spiritualism, and the many supernatural forces and influences that are indispensable to traditional Javanese communal life. Any such divergence from basic Islamic tenets is, in Islamic theory, theologically impossible to rationalise.<sup>292</sup> The decidedly mystical orientation of Indonesian Islam existing within communal religious life, and by which most indigenous Muslims (especially those in Hindu-influenced Java) regard the position of Allah is blasphemous within Islamic orthodoxy. There is thus sharp variance between communalism and orthodox Islam in the idea of the 'oneness of God' when traditional life views the notion of the relationship as much more than a mystical union between man and Allah. Nor does the idea of nationalism or Indonesian unity find a comfortable home in orthodox Islamic thought. The only traditional *Sunni* theory of the state is that of an Islamic state under the Caliphate that has in itself a less than unified, despotic, history. The idea of freedom of religion within Islamic orthodoxy does not permit freedom for heresy. There is also a deep contradiction between orthodox Islam and traditional communal life in the final pillar of *Pancasila* that insists upon social justice over the basic issue of equality between the sexes. Any likelihood of the majority of

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<sup>291</sup> Peter Polomka, *Indonesia After Sukarno*, (Penguin, Middlesex, 1971), p. 54.

<sup>292</sup> van der Kroef, (1956), p. 212.

Indonesians being able to exist in the modern world implied in *Pancasila*, and yet remain truly Muslim, is decidedly problematic.

A proposed national ideology that places such importance on the terms nationalism, democracy, humanitarianism and social justice does not deny some influence from Western-European historic liberalism yet *Pancasila*, as put forward by successive Indonesian ruling elites, has exhibited some very illiberal tendencies. Before Suharto's economic about-turn in 1967 when he unabashedly, although pragmatically, embraced capitalism and the global economic order, Indonesia's ruling elites had totally eschewed the form of capitalist economy usually associated with traditional liberal doctrine. The hyper-nationalist and totalitarian variance of democracy experienced under the rubric of *Pancasila demokrasi* placed few restrictions on a form of governance that promoted and highlighted paternalistic dispensation of all political and economic wisdom. As interpreted by the Westernised Indonesian, secular-nationalist, ruling elite of the Suharto New Order, *Pancasila demokrasi* carried distinct illiberal overtones of totalitarianism totally incompatible with many of the fundamental features of both traditional Indonesian communalism and Indonesian Islam.<sup>293</sup> Rather than provide a new unity, Sukarno's use of *Pancasila* increased the extent of existing disunity. When the PKI (Communist Party) placated Sukarno by seemingly accepting *Pancasila* during the Guided Democracy period a deep, and ultimately murderous, cleavage resulted between the PKI's version of post-Liberal-Marxist ideology on the one hand and Islam on the other. The idea of *Pancasila* as a unifying national ideology is somewhat perverse considering the ideological competition between ABRI and the Communists unleashed by Sukarno's Guided Democracy.

*Pancasila* thus has a curious, if not questionable, communalistic and cultural basis. Its contrivance as a unifying national ideology is clearly at odds with both traditional Indonesian society and the key tenets of Indonesia's predominant religion Islam. A Western view might, with reason, have it that *Pancasila* has been little more than an empty slogan employed by successive authoritarian regimes to fabricate a unifying national ideology that justified intrusive socio-political control. More generously, the doctrine might be viewed as a mere mantra, or formula, easily adjusted to the specific needs of any socio-political situation. The early, somewhat

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<sup>293</sup> van der Kroef, (1956), p. 243.

questionable, liberal parliamentary democracy followed by Sukarno's largely authoritarian system of Guided Democracy, and later, Suharto's military-dominated New Order, sought justification and legitimacy under the mantra of *Pancasila*. From Sukarno's Old Order to Suharto's New Order, and the New Order progression from a multi- to a single-majority party system, successive ruling orders have nonetheless been able to successfully re-express *Pancasila* to create a surprisingly high degree of national unity out of the potential chaos inherent in Indonesia's broad social and ethnic diversity.<sup>294</sup> In the name of *Pancasila*, Sukarno justified a fusion of nationalism, religion, and communism (through his working acronym NASAKOM) while Suharto and his generals, pursuing their own pure interpretation of the doctrine, cursed NASAKOM, banned communism and, in the immediate aftermath of the abortive 1966 coup, abetted ideological competition to the extent that rural Muslims and urban students were encouraged to lead the way in slaughtering more than half a million ideological opponents. To explain *Pancasila* as a tool of socio-political control in a format that might underwrite regime ideological legitimacy, the historical development of the creed's interpretation and representation needs to be appreciated as well as the role attributed to it in Indonesia's post-colonial development. Doing so requires understanding *Pancasila* within the context of independence struggle, the difficulties inherent in creating a new unitary state, and the New Order's need to achieve political stability and economic development virtually from scratch, all in the midst of immense, potentially problematic, socio-political diversity.

## ***6. Pancasila: a doctrine of convenience and contrivance***

Notwithstanding the serious contradictions that van der Kroef suggests between various understandings of *Pancasila*, and its political derivative *Pancasila demokrasi*, the doctrine was usefully represented by the Suharto New Order as a modern political ideology that drew upon tradition to offer itself as a "modern, forward thinking creed".<sup>295</sup> While formally holding up the Western civil society principles of freedom, justice, and human dignity, the Suharto New Order was able to incorporate into its *Pancasila-ist* rendering such traditional, collective, foundations of society as "the need for tolerance, a strong sense of community, collective discipline,

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<sup>294</sup> Darmaputera, (1988), p. 146.

<sup>295</sup> M. R. J. Vatikiotis, *Political Change in Southeast Asia: Trimming the Banyan Tree*, (Routledge, London, 1996), p. 29.

respect for leadership, and spirituality”.<sup>296</sup> Adjusted as necessary, *Pancasila*’s meaning was employed to meet the specific needs of each socio-political situation that confronted the leadership of the day until the problems of the 1990s. Over the course of New Order socio-political development this required little more than shrewdly manipulating mass consciousness. *Pancasila* was often used merely to strengthen a particular sectoral interest’s argument or to silence an opposing view to the point where the pure meaning of *Pancasila* came to be less important than its existence as a sacred doctrine that could be invoked for specific and diverse socio-political ends. Imbued, as it was, with sufficient selected Western and liberal ideas its representation adequately met the hegemonic demands of a legitimising, modern and forward-thinking ideology of unity and development, but *Pancasila* nevertheless required re-interpretation and re-negotiation by successive elite alliances to ensure that it was seen as benefiting the majority of the Indonesian people.

Ever conscious of the potential for immense challenge religious disagreement posed to societal unity, Sukarno had intended the doctrine to be a compromise between the idea of an Islamic state and a secular one. In keeping with his independence movement’s nationalist nature Sukarno’s *Pancasila* offered Indonesian nationalism as the *first* principle, but pressure from the Muslim community forced a reformulation of the doctrine into the Jakarta Charter to acknowledge the reality that Islam (or some form of it) was the religion of the majority of Indonesians. The principle of One Lordship was then placed first in priority (along with the obligation of Islamic *syari’a* for its followers) ahead of the principle of nationalism. Pressured by the nationalist leaders, the Jakarta Charter was altered in the preamble to the 1945 Constitution and its Islamic emphasis diluted by omitting the *syari’a* obligation and dropping the requirement that the President be a Muslim. Socio-political pressures forced the principle of One Lordship back to the first position in the formulation of the 1950 Provisional Constitution but the socio-political deadlock that ensued moved President Sukarno to decree a return to the diluted Islamism of the original 1945 Constitution. In an attempt to unify the three divisions of nationalism, religion, and Communism, by this time vying for socio-political power, and following the abject failure of the parliamentary process, Sukarno dissolved the Constituent Assembly in 1959 and re-deployed the spirit of *Pancasila* to

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<sup>296</sup> Vatikiotis, (1996), p. 29.

bolster *gotong royong* through an expression of unification that he represented as NASAKOM. Finally, in its most recent depiction, President Suharto and his generals reinvented *Pancasila* around the original form upon which the 1945 Constitution had been based and steered a middle course that institutionalised the socio-political balance required for New Order socio-political and economic development.<sup>297</sup>

Although President Suharto's voice on *Pancasila* did not significantly change until the post-*azas tunggal* period of the mid-1980s, he remained true to his *Pancasila-ist* position. He certainly did not abandon the concept of a nationalist, non-Islamic, state as the most appropriate representation of the doctrine to legitimise his regime's authority but his support for modernist Islam (although an attempt to bolster his personal political legitimacy) nevertheless weakened what had been a strong secularist position on religious politics. As the post-*azas tunggal* era progressed, Muslim interests remained in little doubt that vocal opposition to *Pancasila*, certainly as the New Order chose to represent it, could effectively result in their voice being removed from what had become a more amenable climate for socio-political discourse. While the President continued to set the parameters of permitted socio-political debate, those parameters nevertheless become increasingly blurred and the populist NU, together with an officially sanctioned and equally vocal ICMI (both having appropriated *Pancasila* discourse to their own ends), concerned ABRI's leadership and other secular-nationalist interests by hinting at a likely revival of the old ideological issues and a return to divisionary mass politics. Growing concern spread across different ideological shadings within the elites (both in and out of power) that the more open environment might force the military to overstate a socio-political threat from Islam as an excuse to hinder efforts at promoting more democracy. Such concerns reflected not so much the fear of a re-emergence of sectarianism in contemporary politics as a general distrust of party-politics and the possibility - even the inevitability - that these processes might conjure up problematic links with the masses.<sup>298</sup>

The New Order represented itself as ideologically politically-secular (while at the same time vigorously promoting Islamic culture) and continued during the post-*azas tunggal* era to strictly proscribe the use of religion as an instrument of political mobilisation in Islamic intellectual and cultural life. Although the

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<sup>297</sup> Darmaputera, (1988), pp. 164-5.

<sup>298</sup> Ramage (1995) p. 190.

immensely popular Wahid continued to offer a vision of Islam as a force for tolerance and democracy, fear persisted among the elites that some elements within Islam were prepared to manipulate the more open political environment to their own ends. Such fears raised the spectre of Wahid's oft-used Algerian analogy whereby a duly elected Muslim majority government might legislate to pass over democracy in favour of an Islamic state. The early 1990s saw the New Order continuing to use *Pancasila* to control and limit the allowable space for political discourse but the doctrine was providing more general use outside the regime as a populist, more inclusive, national ideology capable of unifying across a multiplicity of religious, ethnic, and regional affiliations.<sup>299</sup> Wahid represented *Pancasila* as a religiously neutral ideology, essential for national unity (and a necessary pre-requisite for democratisation) but he was skilfully appropriating and rivalling the New Order's ideological, intellectual, and moral position. His often complex political manoeuvring seemed perverse and no less than a subtle re-politicisation of a very large segment of Indonesian Islam. Wahid and NU's resurgence, together with the high level sanctioning of ICMI, confirmed that *politika-Islam* had re-emerged and, most importantly, could be thoughtfully accommodated within a true meaning of *Pancasila*. Many among the establishment elite, and not only the President and the generals, were troubled by these events. A conservative Islam seemed to be looking towards a future with greater democratisation, less military socio-political influence, and possibly without Islamic fundamentalism, but the irony was that the New Order's definition of *Pancasila* was being appropriated to show the way.

*Pancasila's* meaning needed constant adjustment to the needs of specific socio-political situations and none less so than in maintaining the requirement that the Suharto New Order sustain the socio-political stability necessary for political and economic development and thus legitimise its authority. During the 1990s a diverse range of opposition to the New Order came to redefine the doctrine's meaning to justify their, at times, conflicting agendas and in doing so placed strain on intra-elite alliance structures. Notwithstanding the changing interpretations placed upon *Pancasila* in the face of changing socio-political circumstances, the approach of necessary adjustment nevertheless found cultural substance in the important traditional Indonesian ethical concept of *cocok* (suitability). What is deemed correct

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<sup>299</sup> Ramage (1995) p. 193.



and good is that which is *cocok* to the immediate *si-kon* (an acronym for *situasi dan kondisi* – literally situation and condition). The New Order rendition of *Pancasila* persisted in using traditional Indonesian culture to cope with modern problems but the doctrine was becoming anachronistic and problematic. The tolerance implied in the *Pancasila* principle of One Lordship, had given way to regime intolerance, and a rational, modern, understanding of the principle of a Just and Civilised Humanity to regulate inter-human relationships, had been treated by successive regimes as extremist or radical. Nationalism had assumed a xenophobic tendency, *Pancasila demokrasi* came to depend on the *kebijaksanaan* (or will) of an increasingly authoritarian leadership, and the tenet of Social Justice, intended to set limits to the use of private property, was unable to slow the widening socio-economic gap between a privileged, increasingly corrupt, minority and a vast underprivileged majority.<sup>300</sup>

## 7. *Summary*

This chapter has described in general terms *Pancasila's* origins and the doctrine's association with traditional cultural values but more specifically, the chapter has described the doctrine's exclusive representation by Suharto New Order as a state ideology able to underpin the regime's developmental objectives by providing critical elements necessary for a unifying and stabilising national identity that could underwrite regime socio-political and economic legitimacy. By blending traditional culture with pragmatic contemporary political thought and simultaneously building into the doctrine both coercive and consensual potential, the New Order had at its disposal the means to represent *Pancasila* to creatively institutionalise and thus legitimise their total domination of Indonesian life. The doctrine's derivatives, creatively formulated to sustain and when necessary tighten ideological conformity, are discussed<sup>301</sup> as are the contradictory tensions aroused by a diverse and increasingly vocal array of alternative meanings and interpretations in the changing socio-political environment of the late 1980s and early 1990s.<sup>302</sup> In particular, the discussion points to the growing cleavages within Indonesian Islam highlighted by debate as to *Pancasila's* true meaning and intent as a secular-nationalist doctrine of unity in a predominantly Muslim society. Moreover, notwithstanding the Suharto

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<sup>300</sup> Darmaputera, (1988), p. 173.

<sup>301</sup> Above, section 3.2, p. 78 to section 4.1.3 p. 92.

<sup>302</sup> Above, section 4.1.2 and 4.1.3, pp. 89-92.

New Order's exclusive rendering and representation of *Pancasila* as state doctrine to underpin its hegemonic legitimacy, the doctrine carried questionable traditional and cultural legitimacy and the chapter concludes with a discussion on this issue.<sup>303</sup>

At the heart of the Gramscian model of hegemonic order is ideological legitimacy derived by crafting mass consciousness through directive moral and intellectual leadership.<sup>304</sup> By providing the Suharto New Order with the enabling discourse of ideological legitimacy *Pancasila* represents the substance of New Order legitimacy and thus this thesis. Gramscian hegemony's causal association with ideology is profound and as Fontana puts it above,<sup>305</sup> a ruling order has not achieved true hegemony until it has articulated and proliferated its own cultural and belief system as to be universally valid to the general population. In terms of testing the Gramscian model of hegemonic order against the Suharto New Order's behaviour, the value of Gramsci's insights into the Suharto regime's moral and intellectual legitimacy therefore stands or falls on the degree to which the Indonesian people acknowledged without openly challenging the cultural and ideological validity of the New Order's rendering and representation of *Pancasila* as the state's official ideology of unity and development.

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<sup>303</sup> Above, section 5, pp. 92-96.

<sup>304</sup> Chapter 1, section 1.1, pp. 20-21.

<sup>305</sup> Chapter 1, section 1.4, p. 28.

## ***Chapter 3***

### ***Indonesian political culture and its historical background***

The key issue informing this research is the intricate relationship that existed under the Suharto New Order between political power and the moral and intellectual legitimacy of its rule. The thesis tests the processes that defined this relationship against Gramsci's model of hegemonic order and in particular his focus on establishing and sustaining socio-political legitimacy. The Gramscian model is also examined to explain the collapse of Suharto's New Order by enquiring as to the extent to which the collapse was a failure of hegemonic legitimacy due to decay and obsolescence notwithstanding the inability of a coherent counter-hegemony to emerge in opposition to the regime. As the Gramscian project focuses attention on the use of ideology as hegemonic discourse and the close relationship Gramsci identifies between ideology and culture it is therefore necessary that the nature of political power as a 'culture' specific to the Indonesian context is understood. While the preceding chapter looked closely at the New Order's ideological underpinnings through its exclusive representation of the state ideology *Pancasila* this chapter will look to cultural factors to identify the tensions the regime's rendering of ideology imposed upon traditional Indonesian politics.

Aspects of both regional and Javanese political culture dominate Indonesian life but it is the latter that is dominant. Elite Javanese-specific class politics during the Suharto New Order were surprisingly successful considering the trying socio-political conditions and ethnic diversity within which they took place and notwithstanding their often questionable 'top down' processes, high levels of socio-economic development were achieved. Informed by Javanese understandings of the meaning and use of power, a tendency towards centrally-controlled societal conformity and a rejection of individualism and multi-party participatory politics, a distinctive political culture evolved following independence. Indonesian socio-political development has also suffered the contradictory tensions of rigid

authoritarian class structures and a burgeoning Islam imbued with a faith that acknowledges only the authority of the one God. This chapter is separated into two parts and the first section examines these issues and explores the influence of socio-political culture on elite classes' exclusive representation of the state ideology *Pancasila* to legitimise their socio-political dominance. The second section examines the historical context that backgrounds this research.

## ***1. Indonesian political culture***

### ***1.1 Elite politics in Southeast Asia***

The end of its colonial period saw Southeast Asian politics in disarray and chronically unstable military and civilian governments compelled to create centralised nation-states within inappropriate frameworks that had been inherited from earlier colonial administrations.<sup>306</sup> Elite politics in post-colonial Southeast Asia nonetheless proved remarkably flexible and innovative in confronting the pressing need for national unity that required an adept balancing of political control with political participation while balancing the tensions imposed by regionalism, ethnic rivalry, and the pervasive influence of global politics. Leaderships were confronted with a dilemma in that as a consequence of their stultifying colonial history their societies lacked the integrating social, political, and economic institutions generally available to mature states. Daunted by the magnitude of their integration tasks many Asian leaders chose authoritarian styles of political control rather than confront the complex, and troublesome, problem of institutionalising broad political participation.<sup>307</sup> The tendency towards authoritarianism resulted in often repressive and manipulative policies that saw political parties and other participatory organisations attempting to balance alien forms of political participation with those more appropriate to exclusionary nationalist-elite agendas. Indonesia was to suffer three different experiments with political participation during the post-independence era: parliamentary democracy under General Sukarno through the 1950s, his Guided Democracy until the October 1965 coup attempt and thereafter the repressive

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<sup>306</sup> C. A. Trocki, 'Democracy and the state in Southeast Asia,' in Trocki, *Gangsters, Democracy, and the State in Southeast Asia*, (Cornell, New York, 1998), pp. 7-8.

<sup>307</sup> J. Eliseo Rocamora, 'Political Participation and the Party System: The PNI Example,' in R. William Liddle, (Ed.), *Political Participation in Indonesia*, (Yale University of Southeast Asia Studies, New Haven, 1973), p. 171.

military-bureaucratic-corporatism of the New Order until General Suharto's resignation in 1998.

Long-term observer of New Order political culture, William R. Liddle, blames Asia's colonial experience for a legacy of only "rudimentary governmental institutions" and "even less-formed political parties and interest-group organisations" charged with channelling a plurality of socio-political interests.<sup>308</sup> To establish socio-political legitimacy among diverse competing societal interests, ruling classes were forced to choose policies that promised development but also required significant elements of constraint to achieve regime agendas. The culturally deprived environments formed inevitably prioritised personal rule and in Suharto's Indonesia found institutionalised form in what Liddle usefully describes as the New Order "power pyramid".<sup>309</sup> As a veritable pact of dominance the New Order power pyramid dispersed political power downwards from the dominant President standing astride a loyal, albeit politically active, military thoroughly permeating a strong bureaucratic decision-making process. The techno-bureaucracy was, in turn, empowered by the executive to dictate state/society arrangements through a combination of consensus, co-optation and corruption balanced by varying degrees of repression and coercion. To maintain their political positions amidst ever-shifting balances of domestic power, the Suharto New Order power structure institutionalised its interests through fluctuating alliance structures held together by combining elements of coercion with the consensual techniques of co-optation, co-operation and corruption.

This top down perspective of Southeast Asian politics formalised corruption, nepotism and violence but prescribed a culture that has its origins in both traditional political culture and the "novel pressures of modernisation".<sup>310</sup> Negatives surround such a perspective and, as former Korean Presidential candidate Kim Dae Jung puts it, suggestions that Western concepts of democracy might be culturally inappropriate to the region, have tended to be used by some Asian leaders to justify

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<sup>308</sup> William R. Liddle, *Leadership and Culture in Indonesian Politics*, (Allen and Unwin, Sydney, 1996), p. 15.

<sup>309</sup> Liddle, (1996), p. 15. Liddle uses Huntington's definition of 'institutionalisation' as being a process by which "organizations and procedures acquire value and stability", quantified by "adaptability, complexity, autonomy, and coherence". Samuel Huntington, *Political Order in Changing Societies*, (Yale University Press, Connecticut, 1968), p. 12.

<sup>310</sup> Trocki (1998) p. 8.

political autocracy.<sup>311</sup> Criticism has been matched nevertheless by a constant and firm defence of Asian-style authoritarianism from the region's most influential leaders, namely Suharto, Lee Kwan Yew, and Mahathir. They argue that Asian socio-political culture is in fact different, and somewhat vaguely that fundamental human and civil rights as defined in the West are inappropriate to the Asian political context. Rodan suggests rather dryly that while a so-called triumphant liberal democracy might have been one possibility for these societies as they emerged from colonialism, because of their backgrounds, it might "not necessarily [have been] the most likely".<sup>312</sup>

## ***1.2 Indonesia, Javanism and power***

It is argued in this research that the New Order elite classes arranged socio-political order by manipulating ideological control to sustain the moral and intellectual legitimacy of their socio-political power arrangements. The Javanese concept of the term 'power' therefore needs to be explained. Indonesian, or more specifically Javanese, notions of power have deeply influenced the process of Indonesian political development since independence. As Kingsbury and others put it, it must be understood that the idea of power in the Javanese context differs significantly from the general understanding of the term in the West.<sup>313</sup> Galbraith identifies three general types of power - condign, compensatory, and conditioned – that are identified by Liddle in the Indonesian context as the commonly used "political resources" of coercion, persuasion, and material exchange.<sup>314</sup> The closest Javanese word to the Western meaning of the term power is *kasekten* and implies a meaning that combines power with legitimacy through, significantly, charisma. The important point about *kasekten* is the term's eschewal of moral implications in that the

<sup>311</sup> Kim Dae Jung, 'Is Culture Destiny: The Myth of Asia's Anti-Democratic Values', *Foreign Affairs*, Nov/Dec. 1994, pp. 189-194, cited in R. C. Smith, *Violence Politics and Morality: Ethical and Political Issues in War and Peace*, (Hillcrest Books, Hamilton, 1999), pp. 11-12.

<sup>312</sup> Gary Rodan, 'Theorizing Political Opposition in East and Southeast Asia,' in G. Rodan (Ed.), *Political Opposition in Industrializing Asia*, (Routledge, London, 1998).

<sup>313</sup> Kingsbury (2001) p. 356. Ind-Britt Trankell and Laura Summers, (Eds.), *Facets of Power and its Limitations: Political Culture in Southeast Asia*, Uppsala University, Uppsala, 1998) pp. 6-10.

<sup>314</sup> John Kenneth Galbraith, *The Anatomy of Power*, (Hamish Hamilton, London, 1984), p. 4. Liddle suggests 'coercive resources' include the capacity of the state to compel its citizens to do 'something they would not otherwise do', 'persuasive resources' are 'symbolic or ideological' and have the capacity to win agreement from society that regime 'institutions, policies or programs' serve general interests or the 'common good', and 'material resources' are those that are 'the stuff of exchange' and have the capacity to induce compliance by offering reward or compensation in return for that compliance. Liddle, (1996), p. 185.

notion places little actual value on legitimacy or illegitimacy; if in fact *kasekten* exists it simply exists unquestioned.<sup>315</sup> Perhaps Benedict Anderson's description of the four main differences between the Javanese idea of power and those of the European (Hobbsian and Machiavellian) tradition is the most concise.<sup>316</sup> Rather than the Western view of power as abstract (a quality generally inherent in certain interpersonal relationships) he suggests that in the Javanese context, power actually exists in the real world and is a concrete phenomenon irrespective of who has temporary possession of it. Instead of deriving from a multitude of sources (wealth, office, station, weapons) Javanese power is homogenous and emanates from the single source of divine energy that enervates the universe. Thus, while the European view places no limits on the accumulation of power, its available quantity in the Javanese concept is a constant and the more one possesses, the less remains for others to acquire. Power is therefore morally ambiguous in the European sense where some usage has it as legitimate and good while some as illegitimate and therefore bad. In the Javanese view power has nothing to do with morality and thus the question of legitimacy does not necessarily arise over its possession. Moreover, in contrast with Western traditions of political theory, the Javanese concept of power tends to attach more importance to the process of its accumulation than its actual exercise. Clearly, as the general Javanese idea of power differs significantly from that of the West, some important issues require consideration when relating power to political legitimacy in the context of Indonesia's predominantly Javanese political culture.

As well as the Javanese mystical and individualistic attachment to power, a further important Javanese influence upon Indonesian political culture is its tendency towards unification and the need to centralise control. Traditionally a ruler at the centre personifies the unity of the people he rules over. An obsession with unity, expressed as a search for societal oneness, has been behind constant appeals (under both Sukarno and Suharto's New Order) for the sanctity of national unity and violently resistance of any societal forces that threaten the unitary Indonesian state.<sup>317</sup> Moreover, the Javanese idea of power does not define the state by its perimeter but by

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<sup>315</sup> Damien Kingsbury, *Southeast Asia: A Political Profile*, (Oxford University Press, Oxford, 2001) p. 356.

<sup>316</sup> Benedict R. O'G. Anderson, *Language and Power: Exploring Political Cultures in Indonesia*, (Cornell University Press, London, 1990), pp. 21-3.

<sup>317</sup> Anderson, (1990), pp. 35-36. Clifford Geertz, *Islam Observed*, (Yale University Press, New Haven, 1968), p. 36.

its centre which leads to the idea that a ruler's power is not equally distributed through his realm but diminishes as it radiates towards the periphery. The Javanese obsession with oneness holds an important place in Indonesian political culture and goes some way to explain the deep "psychological power of nationalism" that has emanated out of Jakarta since independence and informed development strategy during times of economic stress.<sup>318</sup> Traditionally the relationship between the ruler and the ruled is overseen by a governmental structure (commanded by the ruler) and the relationship the ruler has with his administration (and evinced in the contemporary New Order patrimonial state) is in turn dominated by what Anderson calls "stratified clusters of patron-client" dependency.<sup>319</sup> As Magnis-Suseno puts it, Javanese cultural dominance of Indonesian political life clearly leaves little room for democratic structures to function.<sup>320</sup> New Order leaders were thus able to get away with a gross abuse of power largely by crafting the use of Javanese culture which accepted that so long as kept within certain limits, corruption, crony capitalism and an exhibition of arrogance by power holders, fitted "traditional expectations".<sup>321</sup>

### ***1.3 Political culture, ideology, and participation***

A further, and highly distinctive, aspect of Javanese power has been the political influence the Javanese aristocratic and senior officials' class, the *priyayi*, have been able to wield. The *priyayi* dominate the bureaucratic class representing an important intellectual within the New Order and are distinguished by their somewhat pretentious demonstration of sophisticated, practical, self-discipline, and, at times, self-consciously exaggerated systems of values. The ethical hallmark of the *priyayi* is attained through discipline and education, tantamount to searching for a key that might "open the door between ignorance and enlightenment", and this tendency might explain the appeal of the "explicitly ideological thinking" that exists towards socio-political organisation among contemporary Indonesian ruling elites.<sup>322</sup> In terms of ideology, at no point did a dominant Islamic culture develop in colonial Java. While

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<sup>318</sup> Anderson, (1990), p. 37.

<sup>319</sup> Anderson, (1990), pp. 46-47.

<sup>320</sup> Franz Magnis-Suseno, '*Langsir Keprabon*: New Order leadership, Javanese culture, and the prospects for democracy in Indonesia,' in Forrester, (1999), pp. 214-228.

<sup>321</sup> Magnis-Suseno, (1999), p. 218. In fact, three particular elements satisfy traditional expectations: *rukun* (the avoidance of open conflict), the Javanese sense of hierarchical relations, and the Javanese concept of power. pp. 219-220.

<sup>322</sup> Anderson, (1990), p. 56.



the opening of the Suez Canal in the late Nineteenth century greatly aided Indonesia's contact with the Islamic world, the fundamental assumptions of reformist Islam departed dramatically from traditional Javanese thought. A spiritual gap, possibly compounded by Indonesian Islam's weak socio-economic and political position, actually broadened between pious reformist Muslims and their fellow Javanese during the Twentieth century.<sup>323</sup> The Javanese understanding of power as being part of the world of man, and the lack of spiritual separation between the earthly and transcendental worlds, makes little sense of the Islamic belief in the absolute power of a God far distanced from man. Furthermore, the Muslim belief that all men are equal, and as such, equally insignificant before God poses, as Anderson puts it, problems for any political theory that attempts to legitimise political inequality and power.<sup>324</sup> How can the political rule of one man over another be justified if all men are equally insignificant before God and all real power lies in God's hands? How then can power be distributed? Such concerns underline the difficulties surrounding the idea of Indonesia's Islamic society evolving into an Islamic state.

Indonesia's diverse social plurality has required emphasising social harmony and, to counter the destabilising distractions of everyday life, Indonesian political culture has been forced to place great importance upon balance, consensus building and co-operation.<sup>325</sup> Traditionally, diversity has required balancing through societal consensus or, more specifically, through defining requirements for "respectful consensus building" (*musyawarah mafekat*).<sup>326</sup> Thus achieving the societal stability required to meet New Order social, political, and economic agendas has necessitated adjusting the people to their "required role" within society through such traditional cultural concepts as "apparent agreement" (*gotong rojong*) and a tendency of the Javanese masses towards political "passivity and acquiescence".<sup>327</sup> Mirroring the traditional relationship between rulers and the ruled, political actors have also tended to lack decisiveness or commitment, have emphasised politeness in political and

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<sup>323</sup> Anderson, (1990), p. 70.

<sup>324</sup> Anderson, (1990), p. 70.

<sup>325</sup> David Martin Jones, *Political Development in Pacific Asia*, (Polity, Cambridge, 1997), p. 33.

<sup>326</sup> Jones, (1997), p. 55.

<sup>327</sup> Jones, (1997), p. 55. Michael R. J. Vatikiotis, *Indonesian Politics Under Suharto*, (Routledge, London, 1998), p. 27. Leith suggests that this 'political pacifism' that is supposed to be natural to the Indonesian citizen is best understood as reflecting three elements: Javanese cultural tradition; a reaction to history, and in particular Dutch colonialism; and, in recent decades, the product of the coercive New Order state. Denise Leith, *The Politics of Power: Freeport in Suharto's Indonesia*, (University of Hawai'i Press, Honolulu, 2003), p. 190.

formal relationships, and preferred to see how situations unfold before committing themselves to a positive course of action. Such a propensity was apparent in General Suharto's emergence from relative obscurity, his cautious acquisition of power over a three-year period after President Sukarno's removal from effective power, and his constitutional caution in accepting total power.

Indonesian life has also been separated and influenced by two great socio-political divides. There is the split between *santri* (pious Muslims) and *abangan* (syncretic or relatively un-pious Muslims), and the gap between the dominant Javanese that tend to centralise power and decision-making processes, and those inhabiting the rest of the archipelago that they regard as outsiders. While the Javanese are predominantly syncretist, the outer islanders tend to be more pious Muslims. It was this *abangan/priyayi* Javanese political elite, described as being among the most "status-conscious and hierarchy-minded in the world" with their preoccupation for subordinate benevolence and obedience, that dominated the politics of the Suharto New Order.<sup>328</sup> The demonstrated cultural proclivity for hierarchy reproduced in the New Order authoritarian system of political stratification, constructed around a combination of military and civilian bureaucratic forms balancing instruments of reward and punishment, effectively sustained the Javanese *abangan/priyayi* elite patronage system.<sup>329</sup>

The Javanese-dominated corporatist-patrimonial model of Indonesian political life that evolved as the Suharto New Order was characterised by a preponderance of elite factionalism and an intensely personalised use of power able to insulate itself from many of the demands of its broader society.<sup>330</sup> Replacing traditional patrimonialism (that exchanged protection for loyalty) with a modern neo-patrimonialism (that traded material resources for political support) the political elites of the Suharto New Order effectively manipulated ethnicity and community as an ideological weapon to maintain their hold on state power. Three mutually inclusive cultural tendencies aided the central elites in this process: the traditional acceptance of Javanese power, the inherent importance of patron-client links as the basis of social

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<sup>328</sup> Liddle, (1996), p. 65.

<sup>329</sup> Liddle (1991), p. 20.

<sup>330</sup> David Brown, *The State and Ethnic Politics in Southeast Asia*, (Routledge, London, 1994), pp.112-157. Harold Crouch, *Domestic Political Structures and Regional Co-operation*, (Institute of Southeast Asian Studies, Singapore, 1984), pp. 75-89.

relationships, and rural society's prevailing culture of deference towards authority.<sup>331</sup> But the elite's pragmatic manipulation of ethnicity through patronage evoked inherent contradictions: having to constantly redistribute resources to maintain political loyalty, the fragility implicit in the practice of political favouritism (more specifically the Javanese *abangan* bias), and the need to balance some degree of political participation with the potential primordialism inherent in mobilising mass political support.<sup>332</sup> Each of the four major Sukarno era political parties drew mass support from their own particular communal/ethnic grouping but the trauma of the late-Guided Democracy period remained a painful reminder of the problems that could arise in harnessing communal/ethnic based political support. The PNI (nationalists) drew their support from within the Javanese *priyayi* bureaucracy, the PKI (communists) from the poorer Javanese *abangan*, the traditionalist *Nahdatul Ulama* from among the rural *santri*, and the modernist *Masyumi* relied for support on the Muslim commercial and urban groups.<sup>333</sup> The unstable political coalition at the centre tried to link local and national issues but the attempt merely compounded primordial social cleavage and hostility. After Sukarno's overthrow the Suharto New Order returned to the traditional patrimonial techniques of mass political exclusion by thoroughly depoliticising mass society and ruling through authoritarian and bureaucratic means. The New Order schema for managing communal/ethnic demands constructed and institutionalised an exclusive *Pancasila*-based ideological framework that security planners used to develop suitable corporatist strategies through which they could steer political participation. Rather than the political party system that had proven uncontrollable in the past, New Order socio-political strategies steered participation through *Pancasila*-ist state-controlled representative bodies differentiated merely on the basis of their necessary function in society.<sup>334</sup>

#### ***1.4 The political conservatism of the Javanese ruling elites***

Javanese elite politics have also always tended towards latent conservatism and the Suharto New Order's imposition of the state ideology *Pancasila* (through its political derivative *Pancasila demokrasi*) typified conservatism in action.

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<sup>331</sup> Brown, (1994), pp. 116-117.

<sup>332</sup> Brown, (1994), pp. 121-136.

<sup>333</sup> Brown, (1994), p. 131.

<sup>334</sup> Andrew Macintyre, *Business and Politics in Indonesia*, (Allen and Unwin, St. Leonards, 1990), p. 23.

Bourchier suggests that Javanese “conservative political ideologising” occurred in “four waves”.<sup>335</sup> Under Dutch colonial rule, politics took a romantic, traditionalist view rejecting liberalism in favour of integralism that emphasised the interests of the collective over those of individuals and groups. This approach regarded any future constitution that might provide for broader political rights as running counter to traditional principles of unity. In fact the principle of integralism became the mainstream of secular-nationalist political thought for decades to come. Bourchier’s second wave, Sukarno era conservatism, a form of “corporatist anti-partyism”, sought consensus among the elite themselves rather than the disrupting “proliferation of political organisations” that appeared to undermine traditional Javanese networks of patronage and obligation.<sup>336</sup> Elite aversion to party politics intensified when the PKI (*Partai Komuni Indonesia*) won 16% of the vote in Indonesia’s first genuine election in 1955, but corporatist distrust of political parties was equally antagonistic towards political liberalism. By the mid-1950s, and concerned that the plural party interests plaguing the political system were an irrevocable impediment to parliamentary consensus, Sukarno accepted that the democratic experiment had been a failure.

Rather than the participatory politics of the first decade of the Republic, built, as Sukarno put it, around “opposition for opposition’s sake”, a new political system was built around a pragmatic interpretation of traditional deliberation (*musyawarah*).<sup>337</sup> Guided democracy, as Sukarno outlined it to parliament on February 21, 1957 would represent a new form of government better suited to the national character and based on mutual cooperation (*gotong rojong*) among what the regime regarded as society’s legitimate functional groups (military, intellectual, labour, student, professional, business, and youth etc.).<sup>338</sup> Significantly, it was Sukarno who steered Guided Democracy and the strong discretionary powers he

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<sup>335</sup> David Bourchier, ‘Conservative political ideology in Indonesia: A fourth wave?’ in Grayson Lloyd and Shannon Smith, *Indonesia Today: Challenges of History*, (Institute of Southeast Asian Studies, Singapore, 2001), pp. 112-125. For a description of the ‘conservative’ make-up and agendas of all political parties, across the political spectrum, in the build-up to the June 1999 elections see Charles U. Zenzie, ‘Indonesia’s New Political Spectrum,’ in *Asian Survey*, Vol.XXXIX, No.2, March/April 1999, pp. 243-264.

<sup>336</sup> Bourchier, (2001), p. 115.

<sup>337</sup> Cited in Louis Fischer, *The Story of Indonesia*, (Harper and Bros., New York, 1959), p. 178.

<sup>338</sup> Of the 283 members that made up the 1960 Parliament, 154 were appointed to represent functional groups, while 129 were appointed to represent political parties. Syed Farid Alatas, *Democracy and Authoritarianism in Indonesia and Malaysia: The Rise of the Post-Colonial State*, (MacMillan Press, London, 1997), p. 137. The principle of *gotong rojong* was offered by Sukarno as the acronym NASACOM meaning cooperation between nationalists (NA), Muslims (ASA), and communists (KOM).

assumed suggested that Indonesia had inherited from the Dutch, and refined under the Japanese, all of the “instincts, tradition, and legal machinery” of a police state.<sup>339</sup> When he realised during the early 1960s that the military and their conservative allies were attempting to hijack his corporatist agenda he tried too late to reverse course.<sup>340</sup>

Bourchier’s third conservative wave, the Suharto New Order’s “integralist-developmentalism” model, recast Indonesia’s political culture in a comprehensive conservative mould.<sup>341</sup> By centralising power around the executive, dismantling mass organisations and political parties to silence criticism, the New Order placed extensive socio-political authority in ABRI’s hands. To address their self-interested aims and agendas the conservative elites of the New Order, through their exclusive representation of *Pancasila*, selectively appropriated indigenous values of hierarchy, harmony, and order. Conservative political ideology became the exclusive property of elite upper levels of the military and civil service groupings whose agendas appealed for national unity, demanded minimal mass political participation, and condemned sectarianism. It is significant that a fourth wave of conservatism has characterised the post-Suharto era and the reformist presidential regimes of Habibie, Wahid, Megawati Sukarnoputra, and General Yudhoyono, have kept in place and retained significant support from, influential conservative elements that have survived the former discredited Suharto New Order.

## ***2. Indonesia: historical and contextual outline***

### ***2.1 Background: Indonesia’s Dutch colonial experience and its legacy***

By the first decade of the twentieth century Dutch colonial power had completed the basic structure of a modern bureaucratic state across the vast archipelago they called Netherlands India. Staffing the colonial administration required the colonial masters providing selected Indonesians, generally from traditional ruling families, Christians, and other minorities such as the Sino-Indonesians, with an appropriate, albeit limited, Western-style education. By 1920 a small but significant core of this new social group of Western-educated predominantly indigenous Indonesians were beginning to see themselves as the

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<sup>339</sup> Geoff Simons, *Indonesia: The Long Oppression*, (McMillan Press, London, 2000), p. 155.

<sup>340</sup> Simons, (2000), p. 154.

<sup>341</sup> Bourchier, (2001), p. 116.

vanguard of a nationalist movement and came to believe that they would ultimately lead the drive for independence from their Dutch masters.<sup>342</sup> Their goal gained substance and momentum and by 1928 the idea of a unitary Indonesian state emerged when youth leaders from across the archipelago met and declared their allegiance to the idea of one homeland, one nation, one language (*satu nusa, satu bangsa, satu bahasa*). Their struggle gained momentum when Malay was acknowledged as the common Indonesian language *bahasa Indonesia* and came to represent the unifying language of anti-Dutch resistance and suffering in national struggle. Spread through education, *bahasa Indonesia* became a means of uniting the people of a future nation and broadening the debate about independence.

By the last years of Dutch rule, before the outbreak of World War 2 and Japanese occupation, the upper echelons of the Western-educated Indonesian native bureaucracy had reached the apex of indigenous political power. As well as sharing a common educational background with the radical nationalists, the conservative natured indigenous bureaucratic elites also shared a distrust of religious politics and a cautious uncertainty as to the role of Islam in some future independent Indonesian state.<sup>343</sup> The two key nationalist leaders, the unsophisticated but charismatic soldier General Sukarno and the educated civilian Mohammad Hatta, defended their 1945 declaration of independence from the Dutch with both a national army and a civilian government but both institutions were internally divided and in almost constant mutual conflict. Following four years of struggle, in late 1949 sovereignty was transferred to a federal republic and in 1950 to a unitary Republic of Indonesia. The prolonged revolution and struggle from 1945 to 1950 had created an intensely secular-orientated, nationalistic, predominantly Javanese, military elite that by the end of the 1950s was the most powerful institution of the state and the only one capable of challenging even President Sukarno's authority. Newly independent Indonesia also inherited a number of problematic legacies from centuries of Dutch administration. The Dutch colonial system's deeply entrenched bureaucracy had isolated indigenous politicians from practice in the arts and techniques of political

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<sup>342</sup> R. William Liddle, 'Coercion, Co-optation, and the Management of Ethnic Relations in Indonesia,' in Michael Brown and Sumit Ganguly, (Eds.), *Government Policies and Ethnic Relations in Asia and the Pacific*, (MIT Press, London, 1997) p. 283.

<sup>343</sup> C. W. Watson 'The changing nature of elites in Indonesia today,' in Chris Shore and Stephen Nugent, (Eds.), *Elite Cultures: Anthropological Perspectives*, (Routledge, London, 2002) p. 113. For the broad understanding of 'elite' used in this research refer to Shore's definition (Chapter 5, p. 185) that describes the groups that occupy influential roles and sub-roles in socio-political life.

influencing and denied them experience in such important participatory processes as constructing and maintaining political parties, taking part in elections, and legislative procedures. While the overly centralised bureaucracy had met the demands of the colonial system by enabling the colonial authorities to closely control the indigenous bureaucracy when the Dutch administrative level departed the newly independent bureaucracy was left administratively weak. Moreover, the Dutch-colonial version of a plural society had effectively racially-defined Netherlands India into three levels of hierarchy that placed European colonial administrators and businessmen at the top, Sino-Indonesian traders and entrepreneurs in the middle, and the indigenous Muslim majority at the bottom. Independence required that indigenous Indonesians replace European administrators, the political leadership, and some of the businessmen in the top layer, but the lower levels remained little changed.

## **2.2 Context**

### **2.2.1 Sectarian interests and tensions**

Indonesia is a multi-ethnic society and all issues are influenced to some extent by three pronounced social cleavages: cultural/regional, racial, and religious. The most significant cultural/regional grouping is the Javanese who represent close to 50% of the Indonesian population. Javanese/non-Javanese tensions are deep-seated and immensely significant socio-politically. Non-Javanese ‘outlanders’ suspect that the Javanese elites view the centralisation of decision-making in Jakarta that enables them to impose their proclivity for ‘feudal’ values of hierarchy and deference towards authority upon all peoples of the vast archipelago as justifying Javanese political power. Further compounding tensions, secular-nationalist Javanese leaders dominated the independence struggle and as a cultural grouping came to dominate ABRI’s senior officer corps. The most profound racial cleavage, and one that carries serious economic and socio-political implications, is the distinction between Sino-Indonesians and the indigenous (*pribumi*) people.<sup>344</sup> While representing a mere 4% of the population Sino-Indonesians are generally and, largely incorrectly, believed by most of the population to dominate the national economy. The most complex array of cleavages arises out of the issue of religion.

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<sup>344</sup> Leo Suryadinata, *Political Theory of the Indonesian Chinese*, (Singapore University Press, Singapore, 1999).

The Indonesian state recognises five religions: Protestantism, Catholicism, Hinduism, Buddhism, and Islam. Although they comprise some 90% of the population, and thus represent an overwhelming majority, Muslims are themselves deeply divided by theological cleavages and degrees of piety. The three broadest groupings loosely separate them into Javanese syncretists, traditionalists, and modernists (or reformists).<sup>345</sup> Even though they formally adhere to Islam, Javanese syncretists mix their beliefs and practices with elements of animism, Hinduism, and Buddhism and in political terms are generally regarded as secular-nationalists. The more orthodox traditionalists adhere to the *Syafi'i* school of legal interpretation within *Sunni* Islam and live in the small towns and villages of Java and in large communities in Sumatra, Kalimantan, and Sulawesi. Modernism arrived in Indonesia out of the Middle East late in the nineteenth century and rejected the four traditional *Sunni* legal schools preferring a direct interpretation of the *Koran* more attuned to modern living. Modernists also tend to live in urban areas and favour Western-style educations. Indonesian Muslims are also differentiated in terms of degrees of piety; the less pious are referred to as *abangan*, and the more pure adherents of the faith are *santri*. Significantly, traditionalists and modernists are political opponents and their followings have taken organisational form since the independence era as the two organisations *Muhammadiyah* (modernists) and *Nahdlatul Ulama* (traditionalists). During the Suharto New Order each came to claim membership in excess of 20 million.

### **2.2.2 The independence era and the Sukarno 'old order' elites**

Independence failed to resolve disagreement among the vast archipelago's plethora of interests over the key issue of a desirable relationship between religion – specifically Islam – and the new unitary Republic, nor did independence resolve the problematic relationship between minority racial groupings and the nation state.<sup>346</sup> The new ruling order that dominated the early decades of independence comprised a tense alliance of bureaucratic, business, political, and military elites and approached ethnic diversity with its potential for disharmony and conflict from different perspectives. Ethnic diversity was approached from the

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<sup>345</sup> R. William Liddle, 'Coercion, Co-optation, and the Management of Ethnic Relations in Indonesia' in Michael E. Brown and Sumit Ganguly, (Eds.), *Government Policies and Ethnic Relations in Asia and the Pacific*, (MIT Press, London, 1997), pp. 274-281.

<sup>346</sup> Liddle (1997) p. 285.



optimistic view that an open system of party competition around parliamentary representation and majority-government representative democracy might satisfactorily settle any conflict and enable the diverse range of ethnic interests to express themselves through discussion and compromise.<sup>347</sup> But sectoral interests tended to prioritise political self-interest and merely incited regional dissatisfaction and Islamic disquiet that the fledgling democratic process failed to mediate. When economic stagnation compounded a growing political crisis President Sukarno was compelled to take matters into his own hands and, in 1959, supported by ABRI's senior command, declared martial law, a return to the 1945 Constitution and, taking personal responsibility for the direction of state affairs, introduced a unique totalitarian political form he called Guided Democracy (*Demokrasi Terpimpin* or more literally 'Democracy with leadership'). By 1960 the military had brutally ended Islamic-supported regional rebellions in Sumatra and Sulawesi and the regime had banned the modernist Islamic *Masyumi* party, the Islamic political party closely associated to the idea of an Islamic state. Sukarno's new political arrangement was intended to accommodate all socio-political interests (those of syncretic and traditional Muslim nationalists, Christians and Communists) and through skilful oratory and symbol waving, and promising a measure of status, influence, and participation, Sukarno persuaded all key groupings to accept his Guided Democracy.<sup>348</sup>

By effectively institutionalising the management of ethnic demands through policies that combined and balanced coercion with techniques of persuasion and co-optation, Sukarno's Guided Democracy dealt firmly with the two major ethnic-related issues challenging his unitary Republic: Islamic state-hood and regional autonomy. Inter-elite rivalries between 1950 and 1965 were played out through party-politics but effectively did little more than promote and place sectarian representatives into influential positions in the administration, government departments, and the military, thereby creating a new grouping of Indonesian power elites.<sup>349</sup> The Sukarno regime's connection with mass society became a tenuous one based on little more than his links with the highly organised military and their ideological opponents the mass-based, Communist PKI (*Partai Komunis Indonesia*) that both controlled organisational networks among labour, student, and peasant

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<sup>347</sup> Liddle (1997) pp. 286-7.

<sup>348</sup> Liddle (1997) p. 288.

<sup>349</sup> Watson (2002) p. 114.

organisations. Both organisations were riven by deeply rooted ideological factionalism but having no organisational base of his own, and in a desperate attempt to maintain his authority and power, Sukarno was forced to play one faction against the other skilfully exploiting antagonisms among Islamic interests opposing the secular basis of the state, parliamentary groups challenging his dictatorial practices, and demands for regional autonomy.

### ***2.2.3 Suharto's New Order, its ruling class, and the modernising national elites***

Sukarno's balancing act collapsed when a coup attempt in 1965 was blamed on the communist PKI. ABRI took control and in March 1968 Major General Suharto became the second President of the Republic of Indonesia, his regime to be known as the New Order. A sharp build-up in political confrontation and intra-elite competition had preceded the 1965 coup and, upon taking power, Suharto and his advisers began to reorganise the state political structures and arrangements they felt responsible for the political turmoil and socio-political polarisation of the early independence and Guided Democracy periods.<sup>350</sup> Enthusiastically supported by rural Muslims and student groups, the military eliminated the PKI with more than half a million Indonesians slaughtered in the process. The purge and its aftermath left ABRI the new President's sole power base and totally removed the legitimacy and organisation of the socio-political left. Having removed the potential for challenge the regime moved to ensure the state would never again have to accommodate mass dissent or protest. When they banned campus politics in the late 1970s the regime had removed the only other organised source of political opposition with institutionalised resources and limited the likelihood of a corporate foundation being formed on which future anti-regime activity might be based. The only remaining dissident activity – separatism - continued unabated but although committed to various causes the separatists remained on the political periphery and impotent. Having removed the potential for organised social challenge to its authority, it therefore remained for the New Order to embed itself socio-politically and concentrate on managing its own internal rivalries.<sup>351</sup>

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<sup>350</sup> Watson (2002) p. 115.

<sup>351</sup> Boudreau (1999) pp. 5-6.

#### ***2.2.4 Institutionalizing New Order power and influence***

The Suharto New Order comprised four key players: a strong President; his loyal, organised power base, ABRI; a strong civilian bureaucracy committed to implementing the executive office's policies and directives; and a wealthy, substantially Sino-Indonesian, business class prepared to allot part of its wealth to the political process in return for economic and socio-political favours. To resurrect the battered economy he had inherited from his predecessors President Suharto selected market-orientated economic development policies that encouraged domestic and foreign investment, stimulated the manufacturing sector without neglecting agriculture, and without totally neglecting a relatively small collection of influential *pribumi* (indigenous) businessmen, heavily advantaged the growing Sino-Indonesian conglomerates and trading companies. Enterprise management required heavy state involvement in the economy but with the high concentration of Sino-Indonesian entrepreneurs suspended in a permanent state of political vulnerability, the regime found business easy to control. Moreover, the Sukarno-era long period of import-substitution had required a general industrial dependence on state intervention and subsidies so the state's hold over business was already firm. The substantial personal investment interests of a multitude of well-connected medium-level New Order functionaries further strengthened the relationship between the regime and the business community. The general neo-patrimonial nature of the Suharto New Order encouraged close, commercially advantageous, personal links between key officials and business interests that benefited the business community, in particular, the Sino-Indonesian conglomerates. Almost all of the major corporations that were blossoming under the New Order were owned by Sino-Indonesian interests, the exceptions being the relatively small number of successful *pribumi* corporations enjoying close ties to the regime and, in particular, the Suharto family and their domestic and international associates. Well-connected elite interests also secured equity arrangements with the big Sino-Indonesian conglomerates in the new business environment.

From 1970 the New Order political arrangement was changing and with it the composition of the establishment elites. Concerned that a revived politicised Islam might threaten the political arrangement Suharto dismantled the old political-party system through a process of forced amalgamations that left secular-nationalist GOLKAR, the New Order's political machine, dominating the political process.

Because of their religious scholarship and respect within the community, the Muslim elites enjoyed regime and social deference but were of little political significance. With the political influence of both Islamic modernists and traditionalists continuing to decline through the 1970s, the administrative elite, closely associated with the regime political machine GOLKAR, grew in power and a new middle class of professionals and elements of the business elite began to exert an increasing influence upon politics. Through the 1980s the economy itself came increasingly under the direction of the burgeoning urban elite that was drawing growing influence from linkages between influential businessmen and serving or retired military figures. But growing middle class influence increasing came at the detriment of the military elite.<sup>352</sup> Across the vast archipelago, away from the centre of power in Jakarta, the situation was different and remained balanced more in favour of the military. Although New Order influence penetrated deep down into Indonesian society through its GOLKAR political network, its ability to influence at the village level was somewhat tempered by ABRI's unique territorial command structure legitimised and institutionalised by the *Pancasila* derivative *dwi fungsi*. Military territorial arrangements gave local garrisons considerable independent authority and powerful influence over localised grass-roots politics.

### **2.2.5 ABRI and the New Order 'Pancasila state'**

The New Order system of governance represented a form of governance that the regime referred to as *Pancasila demokrasi*.<sup>353</sup> *Pancasila's* five principles originally included in the 1945 Indonesian Constitution came to pervade virtually every aspect of Indonesian socio-political life and ideological discourse during the New Order.<sup>354</sup> The regime intended *Pancasila's* Five Principles to convince the Indonesian people that the state's pre-eminence was responsive to its people's general wishes. *Pancasila demokrasi's* structure, while represented as a uniquely-Indonesian form of democratic government, merely empowered the state to use its own discretion to suppress any social behaviour they regarded as contrary to exclusive, and

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<sup>352</sup> Watson (2002) pp. 115-6.

<sup>353</sup> Liddle justifies his use of *Pancasila* as an adjective on the grounds of it being an indigenous departure from democracy as practiced in the West. R. William Liddle, 'A Useful Fiction: Democratic Legitimation in New Order Indonesia,' in R. H. Taylor, (Ed.), *The Politics of Elections in Southeast Asia*, (Cambridge University Press, Cambridge, 1996), pp. 34-60.

<sup>354</sup> Chapter 2, section 2, pp. 71-73.

unquestioned, regime interpretation of the doctrine.<sup>355</sup> Moreover, as will be discussed further in the following chapters, the representative institutions that came to underpin *Pancasila demokrasi* could well be described as the “mere instruments of tyranny” J. S. Mill referred to one hundred and fifty years earlier and while “[p]opular election was practiced”, instead of a security against misgovernment, it “[was] but an additional wheel in its machinery”.<sup>356</sup>

At the vanguard of their nation’s independence struggle ABRI were always political having realised from the earliest days of rebellion that their future role would be largely socio-political.<sup>357</sup> The ABRI leadership regarded the early attempts at democratic civilian government as a failure and inappropriate to Indonesian life, convincing the officer corps that they were the only social force capable of ensuring order and stability. Moreover, from the early days when the military took over the Dutch companies and turned them into major state enterprises run by military-dominated boards, the military as an institution remained deeply integrated into the state economy. Their socio-political role not only protected the military’s domestic interests by compensating for the perceived weakness of civilian government but their adopted function also enabled them to keep a watchful eye over growing Sino-Indonesian corporate interests. They directly intervened in politics on three occasions. Need and opportunity converged during the 1945-8 independence struggle and also when martial law was declared following democratic and civil breakdown in the late 1950s before Sukarno took control of the political process and imposed his Guided Democracy. Need and opportunity again arose in response to the somewhat questionable coup attempt by leftist officers in 1965.<sup>358</sup> Not only was ABRI the largest socio-political organization in the country, their self-ordained doctrine *dwi fungsi* (dual function) legally and ideologically justified their deep

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<sup>355</sup> Liddle (1997), p. 294.

<sup>356</sup> John Stuart Mill, *Considerations on Representative Government*, (Longmans, Green, and Co., London, 1867), pp. 3-4.

<sup>357</sup> Harold Crouch, ‘Indonesia’ in *Military-Civilian Relations in Southeast Asia*, in Zakaria Haji Ahmad and Harold Crouch, (Eds.), (Oxford University Press, Singapore, 1985) pp. 49-51.

<sup>358</sup> The independence movement regarded the central government’s indecision over creating a national army to fight for independence as gross negligence and took the initiative upon themselves. Their reentry into politics in 1957 followed unwanted intrusions by civilian politicians the military regarded as lacking social legitimacy, and in response to the 1965 coup their moves were defensive. In 1965 they saw their move as justified by the need to both protect their hold on internal security and resist the ideological challenge of Sukarno’s NASAKOM-isation of society; Sukarno’s fusion of what he saw as the three major socio-political forces in Indonesian society: *nationalis* (nationalism), *agama* (religion), and *komunis* (communism).

penetration into every level of Indonesian society and their pervasive role in all socio-political affairs.

Until brutally put down by the military, the *Darul Islam* revolts between 1948 and 1962, convinced the ruling elites, particularly ABRI's leadership, of *Pancasila*'s utility in countering any likely push for an Islamic government. The *Darul Islam* affair also convinced the military that if not contained, threats from the extreme right (where they located radical Islam as opposed to the Communists located on the extreme left) could continue to threaten their hegemonic socio-political agendas. The revolts provided the ruling order (and others among the establishment elites) with the pretext for some thirty years of anti-Islamic politics, thinking, and behaviour, and convinced the military leaders of the dire consequences of any ideological divergence from *Pancasila* as the state's philosophical basis (*dasa negara*). Thus ABRI's *dwi fungsi* doctrine, as an essential ingredient of *Pancasila demokrasi*, guaranteed that the military could never be apolitical. As Crouch put it, by proving their indispensability in putting down the Muslim-supported regional rebellions, the military leadership had "underpinned its claim to a more permanent role in the government."<sup>359</sup> The violent aftermath of the 1965 coup attempt was the conclusive proof ABRI's leadership needed of the righteousness of their cause in depoliticising Indonesian society and bringing it under firm control. Thus, from its very inception *Pancasila* had a clear socio-political mandate to legitimise authority and enable ABRI to presume legitimacy in their self-appointed role as defenders of a non-Communist, non-Islamic, unitary, secular, *Pancasila*-ist Indonesian state.

#### **2.2.6 Relations of power, political organisation and a resurgent Islam**

Although the vast majority of the Indonesian population are Muslim, only a minority maintain high degrees of piety and most citizens prefer a non-confessional form of government to that of an Islamic state.<sup>360</sup> Nationalist, democratic, and socialist ideas, strongly orientated towards secularism, implanted within the majority Javanese during the independence struggles, goes some way towards explaining why the influence of *politik-Islam* was unable to match the large Muslim population. A

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<sup>359</sup> Harold Crouch, *The Army and Politics in Indonesia*, (Cornell University Press, Ithaca, 1978), p. 68.

<sup>360</sup> Robert W. Hefner, 'Religion: Evolving Pluralism', in Donald K. Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), p. 221.

pre-independence appeal that Muslims and secular-nationalists balance their interests had resulted in the contentious Jakarta Charter. However, while the Charter, in promising that the new state would officially remain non-confessional with the guarantee of freedom to worship as one wished, represented compromise, the document had also included the obligation, considerably concerning to secular-nationalists, that the state work towards implementing Islamic law within the Muslim community. Rather than alienate secular-nationalists and risk disunity, Sukarno and Hatta quietly dropped the Charter from the Declaration of Independence causing the Constitution's lack of the Islamic *syari'a* obligation to be an object of bitter concern for decades to come.<sup>361</sup> The 1955 elections, now regarded as the most democratic ever held in Indonesia until the post-Suharto era, failed to give Muslims an electoral majority with the vote split between modernist Muslim *Masyumi* and traditionalist Muslim NU on the one hand, and the secular grouping of the Indonesian Nationalist Party (PNI) and the Communist PKI on the other.<sup>362</sup>

Muslim-led regional rebellions during the 1950s and early 1960s earned ongoing ABRI distrust towards Islam's intentions and permanently stigmatised *politika-Islam*. Enthusiastic rural Muslim support for the military against the PKI during the blood-letting that followed the 1965 coup attempt did little to advance the Islamic political agenda as might have been expected when Major General Suharto took power. Expecting rehabilitation, and inclusion within the new political arrangement, Muslim political aspirations were disappointed. *Masyumi* remained banned and, in 1973, Muslim political interests were forcefully merged into one political party, the *Partai Persatuan Pembangunan* (PPP). Generous official support tilted the electoral system in favour of the New Order party GOLKAR and *politika-Islam* was consigned to the political periphery.<sup>363</sup> 1984 legislation that demanded all socio-political organisations accept the state ideology *Pancasila* as their sole foundation (*azas tunggal*), proved to be the final blow to any pretensions Islam may have had to political autonomy.

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<sup>361</sup> Hefner, (1999), p. 222.

<sup>362</sup> In fact, during the 1999 and 2004 elections, considered the most open held in the Republic, 53.8% and 55.6% of the electorate voted respectively for secular-nationalist parties, 17% and 18.9% voted for secular-orientated Muslim parties, and only 15.6% and 23.1% voted for moderate to radical Islamic parties. Greg Barton, *Indonesia's Struggle: Jemaah Islamiyah and the Soul of Islam*, (UNSW Press, Sydney, 2004), pp. 72-3.

<sup>363</sup> Hefner, (1999), pp. 223-4.

*Politika-Islam*'s clear failure to unify a political constituency during the 1950s and 1960s provoked different reactions from intellectual Islam but generally encouraged adherents to focus their obligations of faith through cultural development. The most common strategy pursued by Muslim intellectuals refused to deny that Islam had some form of role to play in Indonesian politics but encouraged Muslims to place priority on deepening their faith. Political change, they argued, would follow in due course. However, a grouping of young intellectuals from the Islamic Students Association (AMI) disagreed, arguing that an Islamic state was irrelevant to Islam anyway and that the notion should be set aside in favour of a move towards Muslim renewal in a comprehensive spiritual, intellectual, and economic sense. Still another strain of Islamic intellectual thought, and one generally associated with those from the banned modernist *Masyumi* party, saw any cultural drive as merely a temporary diversion from the key issue of their valid struggle for eventual control of the Indonesian state. Disappointed at their continued political peripheralisation, even though many had not been overtly fundamentalist or authoritarian, members of the old *Masyumi* party claimed that their only sin in the past had been constant criticism of Sukarno's policies so *Masyumi*'s New Order successors felt deeply frustrated that Suharto's New Order was not prepared to allow them space on his political stage.<sup>364</sup>

From the late 1960s the New Order had begun to expand the network of Muslim universities and by the 1980s growing numbers of graduates were finding employment within both the state and private sectors were coming to represent the coming of age of a new generation of middle-class citizens enriched with a sound understanding of their Islamic faith. Indonesian Islam therefore underwent an astonishing cultural renewal during the 1980s and into the 1990s but the political implications of growing Muslim piety was not readily discernable and, given Indonesian Islam's theological and cultural diversity, the likelihood of a single form of *politika-Islam* emerging still seemed remote.

Although power remained firmly within the executive and the Presidency, and although ABRI continued to set the limits on political discourse and participation, the *permitted* parameters of expression became increasingly blurred from the early 1990s. Establishment elites, on the inside as well as the peripheries of New Order power, became troubled by a number of issues. Suharto's succession preoccupied

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<sup>364</sup> Hefner, (1999), p. 227.



elite concerns as did a growing fear that improving political and institutional links between Islam and government might revive the old ideological issues that carried the potential for a recurrence of the primordial politics of the violent mid-1960s. Thriving Islamic intellectual life through the 1990s was nonetheless heartened by Islam's international revival and activism and increasingly conscious of its more pronounced political potential. A dramatic turning point in Islamic socio-political activities occurred in 1991 with the founding of the modernist Islamic ICMI (The Association of Muslim Intellectuals). Backed by the President himself, directed by his protégé Josef Habibie, and in accord with Suharto's apparent newfound piety, ICMI was seen as a strategic ploy to gain modernist Islam's support to balance a presumed diminution in ABRI's support. Nevertheless, regardless of its proclaimed intention as a forum for Islamic debate and discussion - an Islamic think-tank - ICMI firmly, albeit possibly unintentionally, placed Islam back onto the political stage, and together with the issue of Presidential succession and the growth of what was cynically referred to as *Cendana* politics, added to a growing concern and subsequent polarisation among the establishment elites.<sup>365</sup> The idea that contemporary politics might head in a sectarian direction and arouse the masses about exclusionary issues (or even democratic and human rights issues) deeply concerned the ruling establishment. Secular nationalists, ever conscious of the causal links between emotional ideological issues and violent mass behaviour, remained politically cautious and impotent, excluded from political expression by the regime's continued restrictive interpretation of *Pancasila demokrasi*. As the 1990s progressed, while the religious elites were able to demonstrate that the so-called non-political organisations of traditionalist NU and modernist Islamic ICMI could effectively operate in the changing socio-political environment, to the secular-nationalists, sectoral political participation evoked an uncomfortable image of influential Islamic political organisations acquiring mass support behind their agendas and the potential to incite societal instability and violence to achieve them.

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<sup>365</sup> *Cendana* (the Suharto family home) politics was the term used to describe the behavior of the President's family that seemed only "designed to perpetuate a personal dynasty." Watson (2002) p. 120.

## ***2.3 Suharto's fall and the end of the New Order***

### ***2.3.1 Uncertainty among the New Order establishment elites***

From the late 1980s and through into the 1990s a broadening range of dissent emerged to criticise and challenge the regime that had hitherto seemed impervious to change. The exclusionary socio-political system the New Order had created left little space to accommodate the changing intellectual aspirations of key sectors of Indonesian society. Designed to preserve the status quo, the political party system underpinned by *Pancasila demokrasi* could not allow direct parliamentary challenge but during the early 1990s the PDI, led by the popular Megawati Sukarnoputri, openly defied the system. A heavy-handed government and thuggish ABRI response fuelled the growing public dissatisfaction and cynicism towards the un-democratic nature of the regime.<sup>366</sup> Income disparities had visibly increased by the 1990s, particularly in the crowded urban areas, and with it social intolerance. Regular rioting carried ethnic and religious undertones and ethnic resentment drew on longstanding tensions between the clearly more affluent Sino-Indonesians and the indigenous Muslim masses, focusing on the Sino-Indonesians' general linkage to the regime. Intra-military rivalry and doctrinal differences, and tension between the two mass intellectual streams of Islamic modernism and traditionalism exploited by the President at every opportunity for socio-political gain, added to the growing societal unease as elements among the elites manoeuvred themselves in anticipation of Suharto's inevitable succession. Individual prominent oppositionally-positioned establishment leaders shifted stances in line with the ebb and flow of volatile socio-political realities.

Both those sections of the New Order elites holding power and those outside the power frame shared the fear that political interests *outside* of the mainstream political establishment might appropriate support from the disadvantaged masses. The Indonesian establishment has always regarded politically mobilised mass unrest as the only likely serious threat to the political status quo, and the student-led riots and unrest that began to intensify from mid-1996 justified these fears.<sup>367</sup> Although focussed on ending Suharto's rule and his regime's political repression, the

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<sup>366</sup> Stefan Eklof, *Indonesian Politics in Crisis: The Long Fall of Suharto, 1996-98*, (Nordic Institute of Asian Studies, Copenhagen, 1999), pp. 220-223.

<sup>367</sup> Max Lane, 'Mass politics and political change in Indonesia,' in Ariel Budiman, Barbara Hatley, and Damien Kingsbury, (Eds.), *Reformasi: Crisis and Change in Indonesia*, (Monash Asia Institute, Monash, 1999), p. 182.

likelihood that the activist student agenda might find appeal as a political focus for grass-roots anger about broader issues and arouse people power, as had occurred in the neighbouring Philippines during 1985, added to establishment concerns. The student-initiated public mobilisation of socio-political dissatisfaction did not necessarily involve rioting and often included relatively peaceful party activity, but the combination of organised and non-organised unrest climaxed in massive popular mobilisation during the May 1997 general election. The election also highlighted two serious issues of concern for the ruling elites: the demonstrators were growing increasingly belligerent and, as the protest and unrest escalated, the security forces appeared correspondingly unable to control the large-scale public venting of emotions.

The endemic prevalence of corruption, nepotism, and cronyism prevented the New Order from responding credibly to the regional economic crisis of mid-1997. Wealthy, generally well-connected, individuals and companies moved their capital off-shore, the rupiah crumbled exacerbating widespread poverty and dissatisfaction and the President himself seemed to be the main impediment to economic recovery. Attempts by elements of the military and radical Islamic groups to scapegoat the Sino-Indonesian population and deflect attention away from the growing crises heightened ethnic tensions and intra-elite concerns.<sup>368</sup> The New Order was clearly becoming less able to guarantee order and stability with opposition to Suharto's continued hold on power even coming from establishment groups previously loyal to him.

By the beginning of 1998 influential, highly critical, social leaders of the unofficial establishment opposition, such as Wahid of traditionalist NU, Megawati of the PDI, and Rais of modernist *Muhammadiyah*, were calling for partisan national dialogue on the growing economic, political, and social crises. Even though their criticism of the Suharto regime gained support from press calls for reform and aroused "excitement among Jakarta's elite" they offered little concrete political direction.<sup>369</sup> Intra-elite criticism remained purely rhetorical as social leaders backed away from directly influencing, or being involved in, the protests. After decades of institutionalised prohibition of political dissent and organisation such ambivalence towards the New Order implied innate political desensitisation that was hardly

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<sup>368</sup> Eklof, (1999), pp. 227-8.

<sup>369</sup> Bourdreau, 1999, p.11.

surprising. Despite the regime's repeated warnings about the consequences of street protest, and the general belief that Special Forces officers were actually kidnapping student activists, campus-initiated protests grew. Panic spread among an increasingly divided establishment when on the 20<sup>th</sup> February 1998 ABRI spokesmen added confusion to the volatile situation by officially denying that demonstrations were banned totally and pointed out that protest was acceptable so long as it was non-violent and restricted to campuses.<sup>370</sup> During the last weeks of Suharto's hold over power, elements of his regime, together with a grouping of senior military officers that included the commander of the Special Forces, Suharto's son-in-law General Prabowo, tried to actively incite ethnic and religious differences to achieve destabilising "political and possibly economic objectives".<sup>371</sup>

### ***2.3.2 The student movement and reformasi dan demokrasi***

Attempts to form a coherent opposition alliance to Suharto that combined the populist Islamic leaders Amien Rais, Wahid and Megawati stalled through irrevocable distrust between the three. In early 1998 the momentum of opposition was forced to turn to the student movement and the students moved to centre-stage and become the catalyst for action. Once Suharto resigned their power waned highlighting the enigma that is Indonesian student activism notwithstanding its special place in Indonesian history and political culture.<sup>372</sup> In 1966 student protest had made a dynamic and visible contribution to Sukarno's overthrow and Suharto and his generals professed their indebtedness to what became known as the Generation of 1966 (the *Angkatan 66*) for the support and vital legitimacy the students had given the military's grab for power. The 'new order' advocated by the students at the time, and promised by the generals, was intended to be in complete contrast to that of the Sukarno era but eventually came to disappoint many within the student activist movement. With official praise heaped upon them for their efforts, many of the *Angkatan* generation went on to enter the bureaucracy, politics, and business and as members of the establishment became the core of a new middle-class. During the 1970s, when all other socio-political forces were seriously feeling the effects of the

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<sup>370</sup> *Jakarta Post*, 20<sup>th</sup> February, 1998.

<sup>371</sup> Eklof, (1999), p. 236.

<sup>372</sup> Edward Aspinall, 'The Indonesian Student Uprising of 1998', in Arief Budiman, Barbara Hatley, and Damien Kingsbury, (Eds.), *Reformasi: Crisis and Change in Indonesia*, (Monash Asia Institute, Clayton, 1999), pp. 212-238.

New Order's depoliticisation, the students (albeit from the moral position of loyal opposition to the New Order) were actually permitted official space to protest. But an escalation in the level of their protest from 1973 to 1977 exhausted the regime's patience and in 1978 the New Order extended its depoliticisation program to campuses where its Normalisation of Campus Life policy (NKK or *Normalisasi Kehidupan Kampus*) gave university assistant-rectors responsibility for maintaining a tight rein on student political activity. A new wave of student activism broke out in 1988-9 but protest generally centred about populist issues and only indirectly questioned the New Order. The student's attitude hardened from the early 1990s and with it a general hostility towards ABRI and in particular their use of *dwi fungsi* to legitimise their pervasive hold over all aspects of Indonesian life.

The student movement of 1998, comprised now of a wide range of differing political views and personal backgrounds, was not the homogenous organisation it had been back in 1966. At that time they had carried the support of rural Muslims prepared to back the military against the hated communists. During the 1990s, however, Islam was not prepared to unanimously support ABRI so long as the generals supported Suharto's hold onto power. Expressing themselves through the extremes of radical activism, general passivity, and even caution, the student senates reflected the broad diversity that had become student Islam. Nevertheless, by early May 1998 the student movement was at least united behind the over-riding goal of removing Suharto totally from power. Drawn as they were by their historical moral obligation to defend the interests of the common people, belief in the purity (*kermurnian*) of their movement required that the students generally reject collaboration with other political forces, and in particular, with the now highly politicised military elite. However, while ABRI commander Wiranto appeared to sympathise with their demands there was little collaboration between the students, the military, the government, or even with those elements of the establishment that were now coalescing into an uncoordinated broad socio-political opposition. Well aware of the historical role that *Angkatan 66* had played at another time of national crisis, the contemporary generation of students realised the responsibility they carried through the popular legitimacy their cause attracted but the political agenda of their 1960s predecessors, and in particular that generation's willingness to co-operate with the military, had become anathema to the generation of 1998.

Without doubt the student movement played the decisive role in the political transition of 1998 providing a catalyst for direct action while the broader establishment opposition limited itself to uncoordinated and at times contradictory, rhetoric. The vigour of the broadly dispersed social revolution and mass response they stimulated first disconcerted, then further fractured, the ruling alliance elites and were primarily responsible for key sections deserting their patron, President Suharto. Student movements, by their very nature, represent a small, albeit at times vocal, section of the population, and are generally unable to achieve specific political goals unless they can successfully mobilise mass support behind their movement and aims. This proved to be the case when anger and violence erupted out of the campuses onto the streets in May 1998 visibly linking the highly organised student reform agenda with the demands of the economically-marginalised predominantly Muslim urban poor whose situation had now become untenable due to the economic crisis. But the linkage of student activism to the disadvantaged masses hinted at primordialism in its purest sense, recalled the mass brutality that had accompanied Sukarno's overthrow in 1966, and stunned the establishment elites into desperate self-preservation. Their response was to desert their patron.

### ***3. Summary***

Javanese-specific political culture defined by traditional conservatism, centrally-controlled social conformity, a traditional suspicion of Islamic politics and an inherent tendency towards authoritarianism underpinned the agendas of the secular-nationalist Javanese dominated Suharto New Order once they were certain they held total power. A top-down proclivity for formalised corruption, nepotism and violence has long had a strong influence on regional politics and been enhanced by the processes of modernisation since the end of the colonial era.<sup>373</sup> These tendencies also highlight the Javanese context and exist alongside traditional power techniques of coercion and persuasion commonly employed as political resources with material exchange providing an enabling linkage between the two.<sup>374</sup> The relationship between Javanese notions of the morality and legitimacy of power has historically been tenuous so political legitimacy has generally been achieved by unifying

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<sup>373</sup> Above, section 1.1, pp. 104-105.

<sup>374</sup> Above, section 1.2, pp. 106-107.

subordinate groups through strong centralised control.<sup>375</sup> Traditional Indonesian political life would therefore suggest little room existed for democratic, popular-participatory, processes to function so the powerful conservative socio-political and bureaucratic administration structures of the Suharto New Order that evolved out of traditional deference to aristocratic and bureaucratic authority attained through discipline and education hardly appear surprising.<sup>376</sup> The most pressing need facing the New Order regime when it took power was to construct national unity and pursue modernisation through economic development. Creating unity and stability out of the diverse array of conflicting and contradictory social interests left the Suharto regime little option but to employ traditional power strategies in striving for socio-political legitimacy. By employing power acquisition techniques that combined elements of coercion, persuasion and material exchange the New Order generals were conforming to traditional cultural expectations.<sup>377</sup> To summarise, there were three cultural traditions assisting the New Order elites in managing socio-political life: traditional acknowledgement of Javanese influence and power, the need for strong patron/client links to enable political and economic advantage and material acquisition, and a culture of deference towards bureaucratic authority.

Centuries of Dutch administration had left indigenous politicians unsophisticated and inexperienced in the arts of political influence and the techniques of participatory political processes. Moreover, the Dutch system had effectively racially defined Indonesia by placing Sino-Indonesian commercial interests above the indigenous Muslim majority. Indigenous Indonesians replaced the departing Dutch administrators to provide an influential layer both above and alongside the Sino-Indonesians, formalising a class arrangement that the Suharto New Order would firmly institutionalise to the advantage of their developmental and ideological agendas.<sup>378</sup> Above the arrangement, unquestioned in authority stood the Indonesian army.

The key to the Suharto New Order's three-decade arrangement of Indonesian development lies in its redefinition of nationalism through a balancing of techniques of coercion with those of consensus and co-option to restructure the

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<sup>375</sup> Above, section 1.2, pp. 105-106.

<sup>376</sup> Above, section 1.3, pp. 107-110.

<sup>377</sup> Above, section 1.2, pp. 105-106.

<sup>378</sup> Above, section 2.1, p. 112-113.

Indonesian state around its own world-view. The New Order built its legitimacy upon national strength and unity through national development upon a solid foundation of its own re-defined traditional Javanese virtues expressed through the regime's exclusive representation of *Pancasila* as the official state ideology. Javanese political philosophy, traditionally informed by an underlying pessimism, was highly susceptible to the culture of messianic appeal (or the search for the leadership of a 'man of prowess') within an uncompromising hierarchical society.<sup>379</sup> General Suharto's new ostensibly nationalist regime had reinvented these notions and by successfully pursuing modernisation legitimised popular consent to his rule.<sup>380</sup> Achieving its socio-political agenda required that the predominantly Javanese New Order elites adapt selected aspects of Western government and until some undefined level of economic development had been reached temporarily suspended others. Successful development in the region could ill afford to leave any aspect of social, economic, and political life to chance and required patience through a process that Singapore's Lee Kuan Yew described as cautious "one step at a time" for its success.<sup>381</sup> To maintain adequate socio-political stability, a techno-bureaucratic elite, charged with development policy, selectively, albeit loosely, reinvented a pragmatic socio-political culture based upon so-called Asian traditions of "deference, bureaucracy, and consensus".<sup>382</sup> Allied with selected Sino-Indonesian businessmen, financed initially by massive oil revenues and later foreign capital, the politico-bureaucratic-military leadership grouping came to dominate the state-run economy through a complex arrangement of state, capital, and patronage.<sup>383</sup>

In the final analysis, General Suharto's New Order was an authoritarian regime that pursued its agenda ruthlessly "unconstrained by any system of laws" and based primarily upon the President's personal and arbitrary control.<sup>384</sup> The New Order's key economic player, the primarily non-indigenous Sino-Indonesian business class, remained vulnerable to indigenous resentment and periodic reactive state-driven

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<sup>379</sup> Jones, (1997), pp. 17-19.

<sup>380</sup> Benedict R. O'G. Anderson, *Language and Power: Exploring Political Culture in Indonesia*, (Cornell University Press, London, 1990), p.35. Jones, (1997), p. 19 and p. 24.

<sup>381</sup> Lee Kuan Yew, *The Straits Times*, (Singapore), February 15, 1992.

<sup>382</sup> The World Bank, *The East Asian Miracle: Economic Growth and Public Policy*, (Oxford University Press, Oxford, 1993), pp. 4-5. 'Consensus' was viewed by modernized East Asian politicians as the traditional pursuit of 'balance', required little 'pluralistic consultation' of many interests, nor did it necessarily submit to 'popular taste'. Jones, (1997), p. 55.

<sup>383</sup> Leith, (2003), pp. 16-17.

<sup>384</sup> Liddle, (1997), pp. 288-9.



economic-nationalism, and avoided traditional political activity preferring a more “covert form of political representation – clientilism”.<sup>385</sup> International development capital supported economic development and provided wealth from multinationals and banks for distribution through self-interested economic and political processes.<sup>386</sup> Achieving socio-political agendas required the New Order to stimulate a highly prioritised manufacturing sector and managing and controlling its constituent elements through market-oriented economic policies. While not neglecting the enormous and socio-politically critical agricultural sector, policy agendas maintained inflation at an acceptable level to encourage both domestic and foreign investment.<sup>387</sup>

To enable it to govern, manage the bureaucracy and neutralise any organised opposition to its agendas, the New Order re-invented a pragmatic version of the state ideology *Pancasila*. Essentially the New Order’s representation of *Pancasila* underwrote a form of democracy built upon traditional cultural understandings of guidance, co-operation, and consultation.<sup>388</sup> As a “formulaic representation of the idea of the Indonesian state”, the doctrine nonetheless merely modified traditional practices for the express purposes of abetting social control and economic development.<sup>389</sup> Intended to appeal compellingly to all citizens to build a nation based upon the human values of ethnicity, religious and regional tolerance and social justice, a self-interested interpretation of *Pancasila* was appropriated by the New Order to legitimize, morally and intellectually, its total domination of the Indonesian people. For thirty years, underwritten by both the coercive and co-optive potential of the state, *Pancasila* provided the ruling order with an extraordinarily powerful tool to manipulate mass consciousness and socio-political behaviour. The doctrine provided an effective and accessible indicator to define the boundaries of allowable political participation and debate and, by limiting the possibility of potentially negative communicatory politics, satisfied the elites’ need for ideological conformity.<sup>390</sup> To ensure the strict ideological conformity deemed necessary to deliver successful

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<sup>385</sup> Andrew MacIntyre, ‘Business, Government, and Development: Northeast and Southeast Asian Comparisons’, in A. MacIntyre, (Ed.), *Business and Government in Industrialising Asia*, (Allen and Unwin, St. Leonards, 1994), p. 8.

<sup>386</sup> Liddle, (1997), p. 289.

<sup>387</sup> Liddle, (1997), p. 297.

<sup>388</sup> Jones, (1997), pp. 32-33.

<sup>389</sup> Dewi Fortuna Anwar, ‘Indonesia: Domestic Priorities Define National Security’, in Muthiah Alagappa, (Ed.), *Asian Security Practice: Material and Ideational Influences*, (Stanford University Press, Stanford, 1998), p. 501.

<sup>390</sup> Jones, (1997), p. 37.

economic development across a broad range of ethnic, cultural, and religious demands, strategies were employed that systematically depoliticised Indonesian society and compelled the people to totally accept *Pancasila demokrasi* as the only acceptable ideological basis for socio-political activity. To further strengthen necessary stability, the techno-bureaucratic elites increasingly entrusted with development policy, reinvented and exploited traditional understandings of “deference, bureaucracy, and consensus.”<sup>391</sup>

Appalled by the bloody post-coup events of 1965-6, that starkly evinced the causal relationship within grass-roots Indonesian society between ideology and violent political behaviour, the New Order generals de-ideologised society to ensure that errant politicians not promote alternative ideological orientations that might influence mass socio-political behaviour.<sup>392</sup> To protect simple villagers from being confused or mislead, political parties were prevented from operating below the district level while the regime’s political organ, GOLKAR, received government support to campaign directly to every level of Indonesian society. The further circumscription that all civil servants, including district and village officials and functionaries, be members of GOLKAR, guaranteed direct regime access to every level of Indonesian society and virtually ensured GOLKAR’s success at every election. With all socio-political expression, and both the legislative and judicial branches of government, firmly under Jakarta’s authority, social control was in theory complete. All social, political, and economic, organisations required official sanction before they could function and most became mere extensions of executive authority. It thus remained for successful economic development to legitimise and justify the regime’s hegemonic policies of socio-political and commercial coercion, compromise, and co-optation. It is telling that, with the exception of a small, albeit steadily growing, educated middle-class, until Indonesia’s economy collapsed in 1997 the majority of the population appeared willing to comply with the regime’s demands, seemingly “relatively content to trade political liberties for economic growth.”<sup>393</sup>

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<sup>391</sup> Jones, (1997), p. 147.

<sup>392</sup> Douglas E. Ramage, *Politics in Indonesia: Democracy, Islam, and the Ideology of Tolerance*, (Routledge, London, 1998), p. 501.

<sup>393</sup> Dewi Fortuna Anwar, (1998), p. 501.

## Chapter 4

### ***The Suharto New Order as a Gramscian ‘historic bloc’: its economic form, the New Order economic bloc***

#### ***Gramsci and the economy***

Gramsci began from the Marxist proposition that in modern societies various social classes emerge as a result of the level of development of the forces of production, but went beyond merely upholding this traditional materialistic-economist explanation for the emergence of class.<sup>394</sup> His key departure from classical Marxist tradition is his allocation of additional weight to such non-economic factors as politics and culture/ideology in production and social relations.<sup>395</sup> As outlined in Chapter 2, Gramsci's hegemony is primarily an ideological and political affair but his Marxism demands that hegemony's binding glue, its ideological superiority, nevertheless maintains firm roots in the terrain of economic activity. Thus, while his approach goes beyond the materialist-economic proposition, his analysis still centres on the complexity of relationships arising within society as a dominant class emerges economically from amongst contradictory socio-political forces.<sup>396</sup>

Gramsci's focus on issues of mass consciousness and socialising processes can result in what some commentators acknowledge as a weakness in his ideas. Immersed as he was in Crocean<sup>397</sup> liberal philosophy and Machiavellian political thought Gramsci has been accused of neglecting a deeper economic analysis in linking the issues of popular consciousness and socialisation to the inherent dynamics of the modern state's over-riding economic basis.<sup>398</sup> He stands accused of lacking an understanding of not only the adaptability and creativity of modern capitalism but also modern capitalism's dynamism and volatility yet his thoughts reflect a deep

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<sup>394</sup> Antonio Gramsci, *Selections from the Prison Notebooks*, translated by Quinton Hoare and Geoffrey Nowell Smith, (Eds.), (Lawrence and Wishart, London, 1977) pp. 180-3.

<sup>395</sup> Walter L. Adamson, *Hegemony and Revolution: A Study of Antonio Gramsci's Political and Cultural Theory*, (University of California Press, London, 1980), p. 171.

<sup>396</sup> Roger Simons, *Gramsci's Political Thought: An Introduction*, (Lawrence and Wishart, London, 1991) p. 30.

<sup>397</sup> Benedetto Croce dominated Italian intellectual life on both the political Left and Right during Gramsci's formative years and was regarded as the Grand Old Man of Italian liberalism.

<sup>398</sup> Joseph V. Femia, *Gramsci's Political Thought: Hegemony, Consciousness, and the Revolutionary Process*, (Clarendon Press, Oxford, 1981) p. 232.

understanding of the moral and psychological factors that link plural interests in modern societies where economic factors dominate. In fact capitalism itself ultimately proved capable of ‘purchasing’ through consumerism the essence of Gramscian hegemony - the consent of the masses. Appreciating the dynamism of the relationship between state and economy in a modern industrializing state, Gramsci insisted that hegemony needed to be understood equally on ideological and political as well as economic levels.<sup>399</sup> As outlined in Chapter 2, Gramsci offers the ‘historic bloc’ as an analytic device to explain the re-shaping and re-aligning of state-class economic interests with, more specifically, the economic form of the bloc, his ‘economic bloc’ with its focus on the importance of political, cultural, and ideological influences upon economics.<sup>400</sup> Gramscian hegemony requires that his historic bloc be viewed as constituent forms in an historic process influenced by an over-riding, consensually imposed, ideological hegemony. This chapter considers the extent to which the Suharto New Order matched the Gramscian model by employing an exclusive interpretation of the state ideology *Pancasila* as the ‘economic’ constituent in performing this essential legitimising function and the way the regime organised economic matters and processes.

It is first necessary to reiterate those aspects of the Gramscian hegemonic model employed in this chapter to contrast the New Order economic process with the Gramscian economic bloc. Gramsci’s hegemonic socio-political processes are based on the dominant group exercising ongoing authority over economic processes so the essence of the Gramscian project’s economic model is its focus on the behaviour of organic intellectuals<sup>401</sup> closely involved in the broader activities of economic production (economists, techno-bureaucrats and agenda-setting soldiers) and the processes they institute to legitimise their sponsoring class’s hegemony. Although closely bound by functional association to the ruling order (the military leadership in the case of Indonesia) the organic intellectuals are also required to perform the vital role of resolving the cultural conflict and contestation that inevitably occurs between the ruling groups and the subordinate masses. While the role of the organic intellectuals charged with articulating and disseminating ideology into the mass

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<sup>399</sup> Anne Showstack Sassoon, *Gramsci’s Politics*, (St, Matins Press, New York, 1980), p. 114 and p. 118.

<sup>400</sup> John Hilley, *Malaysia: Mahatharism, Hegemony and the New Opposition*, (Zed Books, London, 2001), pp. 31-33.

<sup>401</sup> Chapter 1, section 1.9, pp. 40-46.

consciousness on behalf of their sponsoring class is the key to the model, it is specifically their representation of the relevant aspects of ‘ideology’ that, by underwriting regime economic agendas and policies so as to be accepted as universally valid, legitimise the model.<sup>402</sup> The leadership must be prepared to update its economic arrangements as necessary in line with new and changing economic realities. A stable hegemony lasts only so long as the cohesion of the economic alliances upon which the economic bloc is built can be sustained. The legitimacy of the economic bloc’s leadership can only be substantiated by their maintaining an ongoing hegemonic “position and function in [and over] the world of production”.<sup>403</sup>

The Gramscian model also has much to say on the circumstances of hegemonic decay and obsolescence as well as the likelihood of an emergent counter-hegemony. The dynamic plurality of interests that influence modern industrializing societies require constantly adjusting and re-negotiating hegemony to disseminate changing subordinate interests. Failure to do so can lay the basis upon which a coherent counter-hegemony may be constructed.<sup>404</sup> Counter-hegemony can evolve out of any significant questioning of the prime issues that underpin the economic bloc, the allocation and distribution of economic benefits and advantage, the ongoing legitimacy of economic arrangements and priorities, and the effectiveness of the institutions that formalise those arrangements.<sup>405</sup> Most important to hegemonic legitimacy, and particularly relevant to this chapter, is the effectiveness and legitimacy of hegemonic response to profound economic threat. According to Gramsci, economic crisis places a heavy burden on hegemonic legitimacy and thus the state that arises out of a specific hegemonic economic era – its economic bloc – must assuage the contradictions and antagonisms that inevitably evolve between the classes that possess and benefit from the means of production and those that do not.<sup>406</sup>

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<sup>402</sup> Benedetto Fontana, *Hegemony and Power: on the Relationship between Gramsci and Machiavelli*, (University of Minnesota Press, London, 1993), p. 140.

<sup>403</sup> Caprioglio and Fubini cited in Femia, (1981), p. 42.

<sup>404</sup> Luciano Pellicani, *Gramsci: An Alternative Communism?*, (Hoover Institute Press, Stanford, 1981), p. 32.

<sup>405</sup> Femia, (1981), pp. 36-7.

<sup>406</sup> Franz Jakubowski, *Ideology and Superstructure in Historical Materialism*, (Pluto Press, London, 1976), pp. 40-1.

# 1. *The New Order economic system*

## 1.1 *Origins*

The Dutch colonial authorities allocated Chinese merchants an important, advantaged ‘middle-man’ position in their colonial economic system and, playing a similar role under Suharto, Sino-Indonesian businessmen became an essential element of New Order economic success.<sup>407</sup> While they remained an integral component of the regime’s relationship with domestic capital, Sino-Indonesian business success always far exceeded its level of political influence and, as a minority group, the Sino-Indonesians remained vulnerable to the economic agendas of the prevailing power-holders.<sup>408</sup> Notwithstanding their vulnerability, the arrangement was one of mutual advantage and the elaborate network of state-business relations that came to centre about the role of the *cukong* (Sino-Indonesian businessmen protected by powerful officials in return for a share of profit) suggests that *cukongism* may remain an indispensable component of any viable system of rule in Indonesia.<sup>409</sup> It is hardly surprising therefore that indigenous businessmen blamed the unequal development that favoured the politically and economically predominant Sino-Indonesian business class on an economic structure inherited from colonial times.<sup>410</sup>

Indonesian independence in 1949 ended the dominant socio-political and economic power of Dutch colonial rule but General Sukarno’s revolutionary economic stabilisation programme led to economic and socio-political bankruptcy within sixteen years. Lacking any form of strong indigenous capitalist (or bourgeoisie) class, excluding the socio-politically unacceptable Sino-Indonesian traders, the newly independent Indonesian state had no choice but to take responsibility for economic ‘ownership’ and planning from the outset. As an early

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<sup>407</sup> Lily Z. Rahim, ‘Economic Crisis and the Prospects for Democratisation in Southeast Asia’, *Journal of Contemporary Asia*, Vol. 30, No. 1, 2000. For detail on President Suharto, his associates, and the Sino-Indonesian business community see Kees van Dijk, *A country in despair: Indonesia between 1997 and 2000*, (KITLV Press, Jakarta, 2001), pp. 74-8.

<sup>408</sup> Boudreau points out that, notwithstanding the particular vulnerability of Sino-Indonesian businessmen, the New Order found corporate business *generally* ‘easily controllable’ due to the high levels of state involvement in enterprise management and a general commercial and industrial dependence on state intervention and subsidies. Vincent Boudreau, ‘Diffusing Democracy? People Power in Indonesia and the Philippines’, *Bulletin of Concerned Asian Scholars*, Vol. 31, No. 4, 1999, pp. 4-5.

<sup>409</sup> R. William Liddle, *Leadership and Culture in Indonesian Politics*, (Allen and Unwin, Sydney, 1996), pp. 29-32.

<sup>410</sup> Mochtar Pabottingi, ‘Indonesia: Historicising the New Order’s Legitimacy Dilemma’, in Muthia Alagappa, (Ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*, (Stanford University Press, Stanford, 1995), p. 228.

indication of the economic structure that would evolve (and ultimately underpin the military bureaucratic state that defined the future New Order) during the early years of independence, a totally state-owned central banking system was established alongside state trading and manufacturing corporations that controlled all major strategic sectors.<sup>411</sup> An ill-fated state-initiated scheme called the *Benteng* program was established in the early 1950s for preferential allocation of import licences and, while the program was a failure, the institutionalised political allocation of bank credit, government contracts and concessions the program offered to favour the interests of politico-bureaucratic power-holders represented a form that would come to define New Order economic development.<sup>412</sup>

In 1957 the state deepened its penetration of the economy by nationalising the major Dutch commercial enterprises. Converted into state-owned enterprises many of the former Dutch companies became ABRI's personal fiefdoms and the military's primary source of extra-budgetary funding for some decades. While a predominantly Sino-business class emerged out of President Sukarno's Guided Economy the military-bureaucratic consolidation established a ruling elite free of control by the political process and non-bureaucratic forces.<sup>413</sup> To ensure total regime control over the economy Sukarno's economic administration built an industrial economy around state capitalism, centralised planning, and extensive state ownership, with the regime maintaining sole authority over the allocation of licences, credit, contracts, quotas, monopolies and concessions.<sup>414</sup> By the mid-1960s gross economic mismanagement had resulted in Indonesia's foreign borrowings reaching a staggering \$US2 billion and with debt repayments exceeding export earnings the state was technically insolvent.<sup>415</sup>

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<sup>411</sup> Richard Robison, 'Towards a Class Analysis of the Indonesian Military Bureaucratic State,' in *Indonesia*, Number 25, April, 1978, p. 23.

<sup>412</sup> The *Benteng* program, intended to assist *pribumi*, principally Muslim, business interests was discontinued in 1956 predicated on the economic dominance of non-indigenous (foreign and Sino-Indonesian) business interests. The *Benteng* program is detailed in R. Anspach, 'Indonesia' in F. Golay, (Ed.), *Underdevelopment and Economic Nationalism in Southeast Asia*, (Cornell University Press, Ithaca, 1969), pp. 111-201.

<sup>413</sup> Richard Robison, 'Authoritarian states, capital-owning classes, and the politics of newly-industrializing countries: the case of Indonesia,' *World Politics*, Vol. XLI, No.1 October 1988, p. 68.

<sup>414</sup> Richard Robison, 'Politics and Markets in Indonesia's Post-oil Era,' in editors Gary Rodan, Kevin Hewison and Richard Robison, *The Political Economy of Southeast Asia: An Introduction*, (Oxford University Press, Melbourne, 1997), p. 32.

<sup>415</sup> David Martin Jones, *Political Development in Pacific Asia*, (Polity, Cambridge, 1997), p.119.

## ***1.2 New Order economic policy frameworks***

Following the failed 1966 coup General Suharto and the surviving senior generals took power. Their regime, to be known as the New Order, embarked upon, and oversaw, a program of economic and industrial development that nurtured an emergent capital-owning elite and protected them from both reformist and revolutionary tendencies and forces in return for socio-political support.<sup>416</sup> In return for corporate support, the New Order elite favoured their capitalist backers with some three decades of spectacular state-promoted economic development through an agenda described by the World Bank as the three-functioned development approach to East Asian miracle status.<sup>417</sup> Employing what the World Bank calls the functional approach to growth the state prioritised market fundamentals, intervened pragmatically in the economy, and embedded and empowered a strong politico-bureaucracy of high quality officials to manage and drive developmental policies.<sup>418</sup>

A fear of socio-political instability pressed economic development to the top of New Order priorities and towards a version of the developmental-state model managed by the increasingly influential politico-bureaucratic elite. To restore Indonesia's economic health from the crisis of the late-Sukarno era the team of predominantly Western-trained economists were insulated from socio-political pressures and given a high degree of autonomy to devise and implement economic policies that tied the state and private sectors into a network of mutual co-operation.<sup>419</sup> The scope of techno-bureaucratic activity and involvement was limited to the aggregates (national income, consumption, and investments) of the macro-economy rather than the particulars (business, individuals, and their relationships) of the micro-economy.

With the line between pre- and post-coup politics blurred, questions remained as to the likely vulnerability of the technocrats should they attempt to contest military demands. Of particular concern was whether the technocrats would

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<sup>416</sup> Robison, (1988), pp. 53-4.

<sup>417</sup> World Bank, *The East Asian Miracle: Economic Growth and Public Policy*, (Oxford University Press, Oxford, 1993) pp. 88-9.

<sup>418</sup> The fundamentals referred to were: macroeconomic stability (inflation under control, internal and external debt under control, and an ability to respond promptly to macroeconomic crises), effective and secure financial systems, openness to foreign technologies, agricultural development policies, and high human capital. World Bank (1993), pp. 87-8 and pp. 105-6.

<sup>419</sup> Jacques Bertrand, 'Growth and Democracy in Southeast Asia,' *Comparative Politics*, Volume 30, No. 3, April 1998, p. 357.



be able to curtail market manipulation and restrict vested military interests' influence over economic and business affairs. Because of their diverse backgrounds and skills those charged with steering economic development were able to show considerable resourcefulness in navigating the political and cultural conflicts and antagonisms their policies created among conflicting interests, while at the same time still managing to maintain the confidence of the Western nations supporting Indonesia's economic recovery.<sup>420</sup> Economic development policy often aroused antagonism but the top levels of the regime were determined to rehabilitate the shattered economy and it recovered rapidly. As it contributed some 70% to Indonesia's export earnings, sustaining high levels of oil revenue was vital to economic development and economic growth of at least 5% was maintained until 1982 until what was referred to as the post-oil era, a downturn in the international oil market forced a period of economic reform. Thanks to investments coming on stream from more than a decade of windfall oil profits, a modicum of prudent regulatory reform was able to maintain economic growth of 7% annually thereafter into the 1990s.<sup>421</sup>

Suharto and his generals considered three contending options before they chose economic and industrial policies, and economic nationalists, interventionists, as well as free marketers, shared in the debates. The regime settled upon an amalgam of the four general economic frameworks of economic nationalism, economic populism, predatory bureaucratism, and liberalism, with each policy approach coming to the fore at different times, in varying degrees, to achieve specific socio-political outcomes.<sup>422</sup>

Economic nationalism settled comfortably with the requirements of the regime's *Pancasila*-ist economy and sought a technologically advanced industrial economy capable of producing capital and intermediate goods through policies that promoted state-led strategic-industry, trade protection, and extensive state investment in the economy. The *Pancasila*-ist imperatives of ideologically driven nationalist policies carried utility in that they strengthened regime legitimacy and thereby the

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<sup>420</sup> For detailed backgrounds on each of the more influential members of the group see; Peter Polomka, *Indonesia Since Sukarno*, (Penguin, Middlesex, 1971), pp. 104-8.

<sup>421</sup> Hal Hill, (Ed.), *Indonesia's New Order: The Dynamics of Socio-Economic Transformation*, (Allen and Unwin, St. Leonards, 1994), p. 61.

<sup>422</sup> Robison, (1997), p. 29.

legitimacy and authority of the officials carrying responsibility for accessing and allocating state capital.<sup>423</sup>

Economic populist initiatives, also strongly *Pancasila*-ist, while somewhat influenced by anti-Sino-Indonesian xenophobia, were primarily designed to uphold the regime's prime objective of popular legitimacy. Their achievement required subsidising basic domestic commodities and selectively funding regional and local development projects and programmes.<sup>424</sup> Government policies during the New Order also eased the effects of rising commodity prices and were useful in generating considerable popular legitimacy for the regime.<sup>425</sup>

The predatory bureaucracy, that generally underpinned New Order economic and industrial development, resulted from political and techno-bureaucratic interests appropriating public authority and accessing political power to influence licensing, monopolies, bank credit, capital allocation, and state contracts. Hilley views such state-class arrangements as essential if concessionary advantage is to be linked to party-politics and corporate networks.<sup>426</sup> Predatory bureaucracy was necessary to foster the appropriate state culture of patronage required to maintain the personal interests of the military-bureaucratic elites. The politico-bureaucratic strata that managed the day-to-day running of the state were therefore able to 'constrain' New Order development through their on-going empowerment to confer business advantage, patronage, and favour.<sup>427</sup>

Liberalism, never a strong suit in the regime's hand of economic choice was, nonetheless, forced upon policy by the disastrous drop in oil revenues during 1982 and 1985. The vast networks of patronage that sustained the New Order economic system depended upon the massive contribution petro-chemical returns made to the state and their reduction required finding an alternative source of disposable income. To restore state revenue streams, liberal agendas challenged the ruling economic order by demanding improved regulatory procedures and a scaling down, through privatisation and deregulation, of the enormous investment by the state in the public sector. As well as economic challenges to the state's economic

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<sup>423</sup> Robison (1997), p. 29.

<sup>424</sup> Development projects included culturally-based development programs from mosque construction through to incentives to promote Muslim and *pribumi* business opportunity.

<sup>425</sup> Robison (1997), p. 29.

<sup>426</sup> Hilley, (2001), p. 37.

<sup>427</sup> Robison (1997), p. 30.

arrangement, demands for trade and industrial liberalization and in particular any dismantling of the network of protectionism and monopoly, posed serious socio-political challenge.<sup>428</sup> Nevertheless, the *laissez-faire* ideals of privatisation proved timely, and were gratefully embraced by the regime as they offered hegemonic opportunity to reactively strengthen intra-elite alliances in the face of changing economic fortune.<sup>429</sup> The privatisation programmes of the late-1980s and 1990s were thus effectively used to empower the New Order with the legitimacy to transfer wealth and commercial advantage and realign the reward structure to the benefit of strategically placed politico-corporate elites.

### ***1.3 The beneficiaries of the Pancasila-ist New Order economy***

The New Order's representation of *Pancasila's* Fifth Principle proclaimed an economic system built on social justice, economic and social egalitarianism and prosperity. Emphasising that the state existed for the well-being of the collective rather than the individual not only provided ideological justification for the New Order's direct role in the national economy, but also implied that the state would place a high priority upon collective indigenous enterprise. To some extent the New Order supported and financed numerous, predominantly rural, indigenous co-operatives and collective ventures but the majority of the benefits of economic development went to the major corporations, including the massive Sino-Indonesian conglomerates, and individuals close to centres of power and patronage. Economic development was anything but equitable and just. While some aspects of New Order economic policy agendas actually contributed to ethnic unrest, overall, the regime's economic and developmental performance generated sufficient revenue surplus to spend significant amounts on mosque building programs and Muslim education programs and facilities thereby to some extent placating ethnic demands. Under the New Order surpluses enabled heavy subsidisation of regional government, and regionally targeted distribution programmes were largely responsible for reducing poverty from some 60% of the population in 1966 to less than 12% in 1996.<sup>430</sup>

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<sup>428</sup> *Asian Wall Street Journal*, 'Suharto-linked Monopolies Hobble Economy,' Vol. XI, No. 61, November 24, 1986.

<sup>429</sup> Hilley, (2001), p. 58.

<sup>430</sup> Chapter 6, section 7, p. 281.

Broader social interests were subordinated to those of excessively privileged large domestic and foreign investors.<sup>431</sup>

Five key economic players, Presidential authority, the powerful military, the intrusive and pervasive bureaucracy, the predominantly Sino-Indonesian business interests and capital, coalesced into the New Order's economic alliance arrangement. President Suharto charged his techno-bureaucrats with establishing economic and industrial policies that would attract much-needed foreign investment and mend the bankrupt economy he had inherited from the Sukarno administration.<sup>432</sup> To facilitate the former, and move the economy towards industrialisation based on import-substitution protected behind tariff barriers, new investment laws provided taxation relief and other incentives to foreign capital. To reverse the latter a regime of controls, described as the "most swift and effective instances of inflation control [seen] in the twentieth century" were put in place.<sup>433</sup> The strategies employed to revitalise the economy prioritised external resources of foreign investment and aid assistance.<sup>434</sup> Built as it was upon sustained low levels of inflation, manageable external borrowings, and significantly increasing investment, the New Order approach to economic and development policy was substantially and qualitatively different (and more acceptable internationally) than that of the Sukarno regime.<sup>435</sup>

Domestic investment opportunities were not totally lost to foreign interests and grew substantially from 1965 to 1975. The luxury of huge petrochemical receipts during the 1970s enabled massive state investment in the economy and significant input also came from those large private corporations and conglomerates enjoying political patronage and advantageous access to credit through the state banks. Most of the conglomerates close to political patronage and state protection were Sino-Indonesian owned and owed their access to business opportunity to mutually advantageous and lucrative associations negotiated with the military during the years of anti-colonial struggle. Suharto himself had gained some notoriety,

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<sup>431</sup> Frida Johansen, *Poverty Reduction in East Asia: The Silent Revolution*, (The World Bank, Washington, 1993), p. 4.

<sup>432</sup> Michael R. J. Vatikiotis, *Indonesian Politics Under Suharto: The Rise and Fall of the New Order*, (Routledge, London, 1998), pp. 47-8.

<sup>433</sup> Hill, (1994) p. 54.

<sup>434</sup> Leo Suryadinata, 'Indonesia under the New Order: Problems of Growth, Equity, and Stability,' in Leo Suryadinata and Sharon Siddique, (Eds.), *Institute of Southeast Studies, Trends in Indonesia II*, (Singapore University Press, Singapore, 1981), p. 8.

<sup>435</sup> Hill (1994) pp. 56-7.

and was even disciplined by his superiors for overly close working relationships with civilian contractors during his days as a regional military commander. His business relationship with close friend Liem Sioe Liong, an old associate from his military days, endured until the end of the Suharto Presidency. On the other hand, and contradicting the regime's implicit *Pancasila*-ist underpinnings, from the outset of the New Order, *pribumi*, or indigenous, business interests, were economically weak and remained so unless able to access political and economic patronage.<sup>436</sup> Economic development primarily benefited non-indigenous business interests and during the 1970s, conscious of the inequity development programmes promoted, the regime attempted a series of schemes and incentives to prioritise indigenous business. However, numerous attempts by the government to '*pribumitise*' the economy (and by their very nature prejudicial to Sino-Indonesian interests) were consistently unsuccessful.<sup>437</sup>

Early New Order capital therefore gained political strength by combining with nationalist ideologies and alliances between individual favoured capitalists and centres of strategic politico-bureaucratic influence.<sup>438</sup> Involvement with increasingly profitable 'client' corporations helped politico-bureaucratic power groupings to gain lucrative access to revenues that satisfied political and personal needs enabling individuals at the centre of politico-bureaucratic power to enter the world of corporate capitalism as wealthy shareholders and investors.<sup>439</sup> The New Order economic system sustained itself variously through the devices of protection, monopoly, credit, enjoying preferential access to business opportunity and advantage, and benefiting from a highly disciplined, low-wage, workforce founded on state-funded education. Moreover, the principle beneficiaries of the arrangement, an emergent, strong, private, domestic, capital-owning class, owed its dominant economic role to institutionalised access to the banking, investment and economic infrastructure.<sup>440</sup>

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<sup>436</sup> Suryadinata, (1981), p. 15.

<sup>437</sup> Suryadinata, (1981), pp. 15-7.

<sup>438</sup> Robison (1988) pp. 63-5.

<sup>439</sup> Robison (1988) p. 65. Politico-bureaucratic power centers were to initially enter the market through their access to funds from the ubiquitous *Yayasans* (foundations); un-audited fund-raising charitable organizations.

<sup>440</sup> For a thorough depiction of the growth and performance of the largely Sino-Indonesian capital-owning class, their conglomerates and the politico-family business groups centred around President Suharto, his family, and associates, see Ahmad D. Habir, 'Conglomerates: All in the Family?' in Donald K. Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), pp. 168-202.

#### ***1.4 The relationship between state and domestic capital***

Sino-Indonesian dominance of the early New Order economy consolidated itself progressively and pragmatically through commercial alliances with both the political elite and the proportionately smaller *pribumi* business elite that in turn relied for commercial access to links with the Suharto family and associates. Alliances with Sino-Indonesian interests were further augmented and strengthened by offshore commercial links the Sino-Indonesian conglomerates maintained with the region's *guanxi* (overseas Chinese) commercial network. State policies of economic deregulation, forced upon the economy by the dramatic drop in oil revenues during the early-1980s, proved to be an economic bonanza for domestic capital but advantaged the well-connected Sino-Indonesian conglomerates over their proportionately fewer associates among the *pribumi* elite.

While Indonesia successfully industrialised under the New Order, and growth in overall terms was economically positive enabling most Indonesians to achieve a generally higher standard of living, the President proved inconsistent in his guidance of the economy.<sup>441</sup> While he listened to advice from his top, foreign-trained economists and gave them a relatively free hand to express generally prudent fiscal policies, he also permitted his 'palace' associates (and later his family) to amass huge profits. To finance their business ventures, wealth accumulation, and patronage, Suharto and the military also drew upon funds from an array of ubiquitous 'charitable foundations' or *yayasans*. Exempt taxation and auditing, *yayasans* provided their patrons with a lawful method of accumulating capital and wealth while at the same time appearing to 'do good works' by funding charitable activities among the lowest levels of Indonesian society. Intended to provide social benefits to their members, *yayasans* had been run by the military for years and were a profitable, unaccountable, source of capital to fund business ventures. From one of his charities, a *yayasan* intended to raise money for mosque construction, Suharto collected compulsory contributions of up to Rp500 un-audited per month from every one of the state's 5 million civil servants and military personal.<sup>442</sup> Three of the President's *yayasans* exclusively funded the New Order's political organ GOLKAR and their exploitation

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<sup>441</sup> Vatikiotis, (1998), pp. 57-8.

<sup>442</sup> Vatikiotis, (1998), p. 51.

defined the culture of business activity that tied the economy to a vast array of patronage links between the bureaucracy, party politics, and the executive office.<sup>443</sup>

To persuade and co-opt those whose support was deemed vital to the national development essential to regime legitimacy the New Order required uninterrupted access to surplus state revenue that could be converted into political support.<sup>444</sup> While most state income and revenue was used legitimately to administer state affairs, sufficient surplus was needed to provide for illegitimate disbursement to sectors within state and society whose support was deemed essential to the stability upon which the regime legitimacy and continuity depended.<sup>445</sup> As well as privileging domestic and foreign investors, successful economic development also generated sufficient disposable revenue to finance the costly management of ethnic relations, heavily fund regional subsidisation, and greatly expand the education system. Investment in global markets not only boosted national income but also provided the regime's official supporters a further means of accessing wealth. When commercial relationships were put under scrutiny, and describing the close political links capital established with senior politicians and bureaucrats to maximise business advantage, the terms "crony capitalism and money politics become interchangeable".<sup>446</sup> Describing commercial relationships, particularly the link between state and domestic capital, inevitably focuses attention on the close, mutually beneficial, links between the proportionately small group of wealthy Sino-Indonesian conglomerate heads and their patrons in the military, the bureaucracy, and the government.

Strengthening the state economic sector might have been justified by *Pancasila*-ist economic imperatives that the Sino-Indonesian dominated private sector be balanced more in favour of *pribumi* commercial interests and those of the majority of the nation, but political and economic realities saw only a small minority of primarily well-connected, and predominantly Javanese, elites led by the President and his associates gaining an inordinate share of the resources and economic opportunity channelled towards indigenous interests. While it is not within the scope of this research to carry out an in-depth analysis across the three decades of the New Order

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<sup>443</sup> Vatikiotis, (1998), p. 52.

<sup>444</sup> Liddle, (1996), pp. 29-30.

<sup>445</sup> R. William Liddle, 'Coercion, Co-optation, and the Management of Ethnic Relations in Indonesia', in Michael E. Brown and Sumit Ganguly, (Eds.), *Government Policies and Ethnic Relations in Asia and the Pacific*, (MIT Press, London, 1997), pp. 297-8.

<sup>446</sup> For an informed evaluation of Indonesia's culture of corrupt business practice and money politics under the New Order see Richard Borsuk (1999), pp. 135-143.

in terms of the ratio of state to private enterprise, a snapshot comparison accurately reflects ownership realities. Key indicators contradict the tenets of a true *Pancasila*-ist economy by showing that the private capital of predominantly Sino-Indonesian conglomerates aligned with elite interests dominated the New Order economic bloc:

Table 1 GDP 1993

<b>% of GDP 1993</b> <sup>447</sup>	
Private Conglomerates	55.8%
Small private sector	5.55
Co-operatives	2.7%
State sector	35.9 %

Table 2 Capital formulation 1990

<b>Capital formulation 1990</b> <sup>448</sup>	
Private Sector	62%
Private enterprise (co-operatives)	16%
State sector	22%

Table 3 Ownership shares in New Order manufacturing 1988

<b>Ownership shares in New Order manufacturing 1988</b> <sup>449</sup>			
	<b>Private sector</b>	<b>State sector</b>	<b>Foreign</b>
Excluding petro-chemicals	59.1%	24.2%	16.7%
Including petro-chemicals	43.8%	43.8%	12.4%

<sup>447</sup> Didik J. Rachbini, 'Growth in Private Enterprises' in R. W. Baker, M. H. Soesastro, J. Kristiadi and D. E. Ramage, (Eds.), *Indonesia: The Challenge of Change*, (Institute of Southeast Asian Studies, Singapore, 1999), p. 32.

<sup>448</sup> I. Kefut Mardjana, 'Public Enterprise Under the New Order' in Baker (1999), p. 48.

<sup>449</sup> Hal Hill, *The Indonesian Economy since 1996*, (Cambridge University Press, Cambridge, 1996), p. 5.



Notwithstanding Article 33 of the Indonesian Constitution calling for state economic activity to be organised around a joint endeavour with the people and key sectors of the economy controlled for the benefit of the people, under the New Order the benefits of economic development were patently inequitable.<sup>450</sup> Article 33 also authorises over-riding *adat* (customary law and individual rights over land and natural resources) for the benefit of the Indonesian state and a *Pancasila*-ist economy demands no less yet when valuable resources are found beneath the ground or under water *adat* is over-ridden and the land becomes *tanah negara*, or state-owned. Paragraph 1 of Article 33 of the Constitution also prioritised economic activity for the benefit of society in general rather than for the individual so with both *Pancasila* and the 1945 Constitution favouring *gotong rojong* or ‘co-operative capitalism’ there has been little enthusiasm for individualistic ‘free-fight’ economic liberalism thereby delivering even more into the hands of the New Order elites.<sup>451</sup>

*Pancasila*’s fifth principle, *Kesejahteraan Sosial* (social justice) implies prosperity through social egalitarianism and obliges the New Order state to advance the collective social and economic welfare over that of the individual. Invoking *Pancasila* as a form of social contract sustaining New Order legitimacy insists upon no less, but the contradictory nature of the contractual arrangements that sustained the New Order elite ‘pact of domination’, and the clear iniquity resulting from the regime’s direct role over the national economy, economic development and the dispersal of capital put to question the ideological legitimacy that underpinned the New Order economic system.

Traditional indigenous distrust and resentment of the Sino-Indonesian business community’s control of the economy was vindicated under the New Order and virtually compelled the state to intervene extensively in the economy to ensure that development and growth to some extent benefited the indigenous majority. However, indigenous resentment of Sino-Indonesian economic power persisted and shaped the relationship between the New Order state and domestic capital until resentment exploded into violent civil disturbances during the closing months of President Suharto’s rule.<sup>452</sup> Notwithstanding Article 33, an inequitable dispersal of

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<sup>450</sup> Cited in Andrew MacIntyre, (Ed.), *Business and Government in Industrializing Asia*, (Allen and Unwin, St. Leonards, 1994) p. 246.

<sup>451</sup> Jones (1997), p.120. Hill (1994), p. 66.

<sup>452</sup> MacIntyre (1994) p. 246.

wealth underpinned and defined the New Order's thirty years of domination. Effectively all key economic decisions were made by the bureaucratic or military arms of the regime rather than by the private sector and as such policy tended to reflect a compromise among these two competing elements of the ruling elite.<sup>453</sup> In the absence of adequate legal and institutional safeguards to protect economic freedoms and property rights successful economic activity depended upon collusive arrangements based around informal and informal association among the elites and the favoured access they enjoyed to the state.

### ***1.5 State capitalism***

State capitalism had been the main focus of Sukarno's Guided Democracy but from 1965 New Order economic strategy prioritised private enterprise and foreign capital investment, with the result that the state corporations of the Sukarno era remained in place and grew into massive conglomerates during the New Order. There were two main reasons for this. First, planners targeted state sectors considered vital to the national interest and second, in terms of the bureaucratic-military nature of the regime, many of the state corporations became the exclusive economic fiefdoms of increasingly powerful military-bureaucratic groups. Funds from these veritable cash cows sustained the important politico-bureaucratic power structures of New Order power and not surprisingly in view of the amount of extra-budgetary funding they provided the generals were reluctant to relinquish control over their business groups.<sup>454</sup> Two important examples of key strategic (and significant revenue generating) corporations dominated by the military were the state oil company Pertamina and Bulog, the institution responsible for allocating food resources.

The configuration of power that sustained the New Order economic system also closely paralleled the type of capitalism that was developing: New Order bureaucratic capitalism required that centralised officials exercise total control over the domestic economy, allocate monopolies over important and valuable sections of the import sector, and influence domestic concessions such as the Indonesian contribution to minority shareholding in joint ventures with foreign capital. Partnerships with key Sino-Indonesians typified bureaucratic capitalism through the

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<sup>453</sup> Vatikiotis, (1989), p. 49.

<sup>454</sup> Robison, (1978), p. 24.

form of client capitalism whereby individuals and groups (generally Sino-Indonesian business interests) compensated for their lack of political power by attaching themselves to powerful bureaucratic patrons. Robison describes this specific arrangement as bureaucratic patrimonialism.<sup>455</sup> Bureaucratic capitalism, by which funds were committed directly to political purpose, became the principal instrument of patrimonial authority through processes that at best blurred the “demarcation between public service and private interest”.<sup>456</sup>

The New Order had begun major enterprise reform in 1967 and further reorganisation in 1969 brought state enterprises in line with the limited liability requirements of private companies. The massive oil revenues of the early 1970s enabled strong industrial development and the state invested heavily in up-stream steel, petro-chemicals and cement sectors with a ten-fold increase in equity investment during the period 1972–76. Government investment in the state sector paused in 1976 when the Pertamina scandal revealed that through inefficient and profligate management, the state petro-chemical company had accumulated debts exceeding \$US10 billion. The debt represented some 30% of Indonesia’s GDP but the scandal had little effect on the way the state-owned enterprise sector operated and in the aftermath of the scandal the State Enterprise administration faced little scrutiny nor was there any meaningful re-evaluation of the sector’s generally acknowledged inefficiency.<sup>457</sup> There was also little consideration of the core problems facing the economy, namely the weakness of an inherent and widespread *rentier* culture.<sup>458</sup> SOE growth slowed as a result of the Pertamina scandal but it was not until 1986, and faced with irresistible pressure for structural reforms, that the President ordered a complete review of the sector. Although described as the New Order’s Achilles heel, and despite their poor commercial performance, large-scale, state-sector, capital investment tied to the economic nationalist imperatives of a *Pancasila-ist* economy

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<sup>455</sup> ‘Patrimonial bureaucracy’ which has historical origins in the pre-colonial Javanese kingdoms tends to entitle office holders to use their authority in pursuing their own political and financial interests. Robison, (1978), p. 25.

<sup>456</sup> Bureaucratic capitalism provided the military-bureaucratic officeholders with patronage for themselves, their families, and the political factions to which they owed their authority. Robison, (1978), p. 24.

<sup>457</sup> Hill (1994) p. 69.

<sup>458</sup> Soesastro, (1988) p. 860.

remained central to New Order policy during the late 1970s and 1980s and the sector responded by contributing a significant 30% of GDP into the 1990s.<sup>459</sup>

### ***1.6 Corruption, the New Order economic bloc and the New Order ‘pact of dominance’***

The New Order economic arrangement was a ‘pact of dominance’ built upon a “complex conjuncture of interests” that linked the politico-bureaucrats charged with driving the state apparatuses to the capital-owning classes prepared to support the regime’s economic development agendas.<sup>460</sup> The politico-bureaucratic element of the partnership positioned and maintained itself through virtually endemic corruption that while generally regarded in the West as immoral tended to be viewed as less so in Asian countries and merely a practical means of attaining just reward for status achievement. The New Order’s early inability to pay its employees a living wage meant that financially exploiting office was often necessary and therefore not regarded as corruption. Traditional customs and attitudes also placed pressure on officials to exploit their positions for personal gain and to repay those that had supported them in their rise to positions of influence and power within the system in the first place. Status demanded that one protected the interests of one’s family and associates so the national interest was often relegated in importance and corruption became intimately entwined with the sources of social, economic and political power.<sup>461</sup>

Playing a key role in the relationship between the state and domestic capital corruption was the defining characteristic of the New Order economy.<sup>462</sup> Official corruption enabled private domestic capital to blossom, but its negative aspects in terms of business inefficiency, low productivity, and an inequitable domestic business environment that disadvantaged those lacking access to influence, frustrated Indonesian manufacturers’ efforts to enter export markets on competitive terms. During the 1980s down-stream manufacturers became a more influential socio-political force and, growing increasingly frustrated with the monopolies

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<sup>459</sup> Hill (1994) p. 69.

<sup>460</sup> Robison (1988) p. 55.

<sup>461</sup> Peter Polomka, *Indonesia Under Sukarno*, (Penguin, Middlesex, 1971), p. 129.

<sup>462</sup> Onis describes New Order officialdom’s general preoccupation with ‘self-enriching, predatory, behavior.’ Ziya Onis, ‘The Logic of the Developmental State, in *Comparative Politics*, October, 1991, p.118. Richard Borsuk, ‘Markets: The Limits of Reform,’ in Donald K. Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), pp. 143-4.

generated by systemic corruption, the sector began increasingly and publicly to criticise New Order economic and industrial policy direction. The New Order alliance with capital required industrial strategic cohesion and minimal tension between state and capital so criticism struck at the very heart of regime unity and cohesion.

Sustaining the dominant role of the class of state officials driving the politico-bureaucracy was critical to preserving the economy's moral and intellectual legitimacy. Carrying as they did responsibility for co-ordinating the politico-economic interests of both the powerful senior state managers and the major domestic corporations (both state and private) at the very heart of the politico-economic alliance sustaining the regime, maintaining the authority of the politico-bureaucratic elite was integral to New Order legitimacy.<sup>463</sup> The politico-bureaucrats' general interests lay in maintaining an economic and political status quo but they also had a professional function that charged them with providing the New Order sufficient revenue and growth to sustain its legitimacy. Although preoccupied with maintaining elite economic and political privilege, senior officials were also required to satisfy their own 'extra-budgetary' needs by either appropriating surpluses from the state or entering into partnerships with their domestic-capital clients. With their best interests clearly lying in continuing existing processes of capital accumulation, state officials were necessarily concerned with preserving a status quo that institutionalised their position within the system and their status and privilege.<sup>464</sup>

The politico-bureaucrats alignment with capital was formalised by their privileged 'administration' of revenue exchange, their control of concessions, licensing, and monopoly allocation, and their authority to dispense credit through the state-owned banks. The personalised and dyadic relationships implied by these arrangements stretched from the bottom to the very top of the politico-economic hierarchies.<sup>465</sup> Arrangements entangling client corporations and business groups into bloc development agendas not only committed the politico-bureaucrats ideologically to the regime's nationalist economic development priorities, reinforcing the elite 'pact of dominance' built around patronage and monopoly, but also provided the regime

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<sup>463</sup> Robison (1988) p. 71.

<sup>464</sup> Robison (1988) p. 72.

<sup>465</sup> MacIntyre (1994) p. 8.

with a powerful instrument of alliance modification should it be required.<sup>466</sup> Resting, as economic cohesion did on officialdom's positioning and exclusive right to allocate economic opportunity, the dramatic drop in oil revenues during the 1970s and early 1980s offered the first opportunity to respond to threats to elite economic alliance cohesion.

The politico-bureaucratic institutions running the state and regulating the economy faced a dilemma. Their integrated-nationalist-industrialisation strategies had become highly exposed to both external and domestic pressures for change and the over-regulated and protected economy found itself increasingly inappropriate to a *laissez-faire* economic environment that demanded a free hand for market forces and capital.<sup>467</sup> Not surprisingly, there was little enthusiasm for state-sector reform from within the politico-bureaucratic elites themselves, nor was there a willingness to disadvantage the non-indigenous business community. Although representing less than 4% of the population the Sino-Indonesians were widely believed to control the economy and it was generally felt that their hold over the economy needed to be reduced in favour of indigenous interests. The response from the ruling elite was that the Suharto family's business empires, the inefficient state-supported and over-funded co-operatives sector, and the state's tendency towards subsidised credit programmes, needed to be understood in terms of actually assisting indigenous commercial power to compete with Sino-Indonesian commercial pre-eminence. This self-interested view of a *Pancasila-ist* economy, together with the deeply embedded culture that tied business to politics and allowed powerful politico-business interests to remain the prime beneficiaries of development and opportunity, generated growing cynicism.<sup>468</sup> Whenever indigenous capital emerged to match the Sino-Indonesian conglomerates, the successful enterprises tended to be from the strongly secular civil and military-bureaucratic class and the Suharto family and their associates rather than the traditional Muslim petty bourgeoisie class.<sup>469</sup> The inefficient state funded enterprises, and the powerful politico-business family empires, advantaged, protected and subsidised by state credit, in theory offered an indigenous counterweight to non-indigenous (Sino-Indonesian) commercial power. It was argued that as the

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<sup>466</sup> Robison (1988) p. 72.

<sup>467</sup> Robison (1988) p. 73.

<sup>468</sup> *FEER*, 30 April, 1994. Hill (1994) pp. 69-70.

<sup>469</sup> Robison (1988) p. 62.

problematic state sector tended to balance the Sino-Indonesian conglomerates, why reform it? There was, therefore, little meaningful reconsideration of the role the inefficient SOEs role in the economy until late 1986 (by which time state enterprises were contributing almost 40% of non-agriculture GDP) when, facing a declining economic situation that demanded urgent attention, the President finally called for review of the sector.<sup>470</sup>

## ***2. The military and the New Order economic system***

### ***2.1 The origins of ABRI's involvement in economic and business affairs***

When Sukarno and Hatta declared Indonesia's independence on August 17, 1945, the civilian-based authority had been reluctant to form a national army so its eventual establishment on October 5, 1945 was largely in response to considerable pressure from nationalists and freedom fighters that wanted their units legitimised by the new state. Military suspicion of civilian authority was mutual and the unique character of civil-military relations in Indonesia that highlighted future decades was forged on November 11, 1945 when the government was forced to accept the popular, and charismatic, former commander of the Japanese established, indigenous militia, PETA, General Sudirman as Commander-in Chief and "father of the Indonesian military".<sup>471</sup> Rather than a creation of civilian government, ABRI was effectively a 'self-creation' and, in an arrangement that would directly influence the future balance of power between civilian and military institutions, the fledgling Territorial Army was also forced to be self-funding. During the nationalist independence struggle individual units were expected to raise their own operational funds and did so through various, often informal, methods that commonly included the indulgences of smuggling, drug trafficking, and social intimidation. After independence the archipelago was divided into military territories and each command was expected to continue to fund itself. With minimal funding from Java central command, regional commanders became adept within the latitude of their commands at satisfying both their units' operational needs and their personal remuneration. As command was

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<sup>470</sup> Hill (1994) pp. 68-9.

<sup>471</sup> Bilveer Singh, 'The Indonesian Military Business Complex: Origins, Course and Future,' Working Paper No. 354, Strategic and Defence Studies Centre, Australian National University, Sydney, 2001, p. 11.

subject to infrequent rotation, regional commanders (which at that time included a relatively obscure General Suharto) were able to develop strong local socio-political and economic relationships that they nurtured into the future.

The military's deep involvement in business activities began early, initially to raise extra-budgetary operational revenue but increasingly to satisfy individual official and political factions' personal and political needs.<sup>472</sup> It was the dual-function involvement in socio-political and economic life implied in ABRI's *Pancasila*-derived doctrine *dwi fungsi* that legitimised direct military involvement in business and economic activity.<sup>473</sup> The spirit of the doctrinal concept implied that the military take all steps to serve the Indonesian state and ABRI's expansion into a variety of areas although traditionally closed to conventional military forces carried strong ideological logic in terms of promoting *Pancasila*-ist egalitarian economic development. The Sukarno government's ordering of the military to take over Dutch business interests fell in line with the spirit, if not the intent, of the doctrine.<sup>474</sup> ABRI's proclivity for intense involvement in the generally non-military roles of business and commercial activity had origins in the demands of early independence when, minimally funded by the civilian power, the institution was forced to tend to its own needs. Continuing budgetary shortfalls and restraints during the early years of Indonesian independence demanded financial austerity, forced economic adventurism upon the government, and hardened military resolve for financial independence. The institutionalised benefits that accrued from economic independence from the civil authority, not to mention the opportunities for personal enrichment, highlighted the success of the arrangements. While the military leadership took advantage of the opportunities offered by financial independence to invest surplus profits and take a prominent lead in national development, the institutionalisation of the military's economic arrangements also offered opportunities to exert dominance in areas that could readily translate into powerful socio-political influence.

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<sup>472</sup> Robison, (1988), p. 250.

<sup>473</sup> The influential General Nasution in his November 1958 'Middle Way' speech formalized *Dwi fungsi* as military doctrine.

<sup>474</sup> Singh, (2001), pp. 13-4.



## **2.2 Deepening ABRI business activity under the New Order**

Suharto's New Order was essentially a military-dominated military-bureaucratic regime. Rather than committing themselves to the narrow sectional interests that had led to the failure of civilian government during the guided Democracy and Parliamentary Democracy periods of the 'Old Order', the New Order generals totally dominated political and economic life from the outset and defended their stance by promoting themselves as ideologically legitimate guardians of the broader national interest. As the New Order coalesced the business activities of the Armed Forces in general, and individual influential officers in particular, popular opinion came to question the regime's genuine commitment to its egalitarian claims as well as the legitimacy of its *Pancasila*-ist position. The entire New Order system of government tended to prioritise the interests of the predominantly Javanese secular-nationalist military elite and those bureaucratic and Sino-Indonesian business groups fortunate to align themselves closely to it.<sup>475</sup> The social and economic chaos of the last years of Sukarno's rule had imbued the military leadership with the belief that they were the only institution capable of providing socio-political stability, and that their stabilising dominance was vital in attracting sufficient investment to kick-start economic development. Rather than its entrepreneurial skill, the economic strength of the military-dominated New Order came from politico-bureaucratic influence and an ability to provide enough political and economic stability to successfully attract foreign investment.

The specifics of development had initially been formulated by a group of highly empowered, Western-trained, technocrats and tended to favour elite interests, but policies came to be "distorted at the point of implementation".<sup>476</sup> Although devised to conform to international liberal norms the New Order economic system the techno-bureaucrats constructed, and adjusted to limits set by the generals, permitted exploitation of the rapidly expanding business opportunities primarily by those enjoying political influence. Investment poured in after General Suharto took power and the 'joint venture' as a project became the typical conduit of capital dispersal. The Indonesian side of the venture generally consisted of army officers partnering Sino-Indonesian businessmen in arrangements similar to those that had worked

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<sup>475</sup> Harold Crouch, *The Army and Politics in Indonesia*, (Cornell University Press, Ithaca, 1978), p. 302.

<sup>476</sup> Crouch, (1978), p. 318.

successfully during the independence struggle against the Dutch and many army officers became more adept at negotiating business deals than commanding troops in the field.

The generals also appreciated the importance of maintaining loyalty among the junior and middle ranks, so a high priority was placed on ABRI's financial well being in general and the officer corps in particular. Trusted officers were positioned to control all key aspects of the economy including senior management of the vital state oil corporation Pertamina, important strategic national food supply and distribution agencies such as Bulog, and the major state-sector trading and financial organisations. Public sector placements of this type ensured regime control over key strategic sections of the economy and ensured funds flowed smoothly for the leadership's dispersal while the nationalist economic aspirations demanded by a *Pancasila* economy were also to some extent placated. Not only required to flow in sufficient quantities to service the military's substantial extra-budgetary requirements, surplus cash flow also needed to remain outside of day-to-day bureaucratic control. An additional 'informal' level of military business activity also grew about various forms of 'protection' ranging from private domestic and international company operational security to the individual and collective security of the Sino-Indonesian community.<sup>477</sup> ABRI were also believed to be illegally and systematically extracting timber, oil and mineral resources for their own benefit. More difficult to validate has been ongoing accusation of semi-institutionalised military involvement in drug trafficking, smuggling, piracy, gambling and prostitution.<sup>478</sup>

### ***2.3 The extent of ABRI's business activity***

ABRI's position of privilege within the New Order and the deep institutionalisation of political patronage made a blossoming in military business activity possible.<sup>479</sup> Core military business interests were diverse but focused on banking and finance, real estate, construction, manufacturing, shipping, air services, forestry, mining, fisheries, and transportation. As well as being undertaken informally through illegal financial and economic activities, business was also done

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<sup>477</sup> Denise Leith, *The Politics of Power: Freeport in Suharto's Indonesia*, (University of Hawai'i Press, Honolulu, 2003).

<sup>478</sup> Singh, (2001), p. 22.

<sup>479</sup> Singh, (2001), p. 26.

formally through limited liability companies, co-operatives, or involvement in state-owned corporations and the *yayasan* foundations previously discussed.<sup>480</sup> The non-taxed or audited *yayasan*s were intended to be charitable organisations and streamlined by Suharto through the understanding of their workings that he acquired during his active duty came to represent the most overt form of business activity ABRI operated. Individual military personnel conducted their own smaller-scale fundraising activities through their own personal *yayasan*s to source venture capital and supplement their income. Many enterprises of this sort were fronted and run by Sino-Indonesian businessmen with the military partners to the arrangement remaining in the background with responsibilities for arranging necessary licences and protection. Created initially to benefit the families of servicemen and their pension funds through economic, social and educational activities, the *yayasan*s grew into veritable business empires often associated with influential, Sino-Indonesian, businessmen. Nevertheless, their implied altruism complied with the co-operative welfare economic aspects of the 1945 Constitution and further ideologically legitimised the *yayasan*'s contribution to *Pancasila*-ist socio-economics.

To summarise, one of the most notable characteristics of the New Order economic bloc was ABRI's commercial orientation. Spread through all of the institutions of the military and the officer corps and constantly adjusted to new economic circumstances their commercial activities not only honed new and necessary skills but also tightened the generally successful business alignments between the upper echelons of the military command and their associates in the techno-bureaucracy. While the massive influx of oil revenue during the 1970s enabled the military, unchallenged at this time by any political groups outside the bureaucracy, to depend less on their traditional informal sources of funding, army officers continued to use their positions to further their personal enrichment.

### ***3. The New Order economic system's response to changing economic realities***

Combining functional with interventionist economic policies, coupled with actively promoting the manufacturing sector, resulted in a rapid growth in productivity, and while export markets were encouraged and promoted the regime

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<sup>480</sup> Above, section 1.4, pp. 145-146.

took care to protect the domestic market.<sup>481</sup> Important to development policy was that state officials remain pragmatic and flexible, prepared to try out different policy instruments to maintain economic coherence, and focus single-mindedly on economic and developmental objectives.<sup>482</sup> The authoritarian nature of the regime was such that the President was able to sustain economic focus by putting his personal authority behind economic reforms when necessary to ensure they were carried through. Also critical to systemic cohesion was that Presidential power remained strong enough to support the techno-bureaucrats whenever the inevitable economic crises occurred.

New Order economics evolved over four separate and distinct phases and stimulating and maintaining growth required shifting from earlier policies of import-substitution to export-orientated manufacturing. During the early years from the New Order's assumption of power in 1967 until 1970, policy primarily concerned itself with rehabilitating the moribund economy and used recovery processes concentrating on macroeconomic stabilisation and kick-starting economic growth. The second stage, from 1971 to 1981, was a period of rapid growth on the back of massive windfall gains in oil revenue, with policy frameworks of economic nationalism re-emerging as the influential socio-political force during the period.<sup>483</sup> During the third period, from 1982 to 1986, economic policy generally lacked cohesion and the economy required re-adjustment to greatly diminished revenue from lower oil prices. Macroeconomic and exchange rate management was carried out effectively but the state tended to intervene more in its regulation of the economy. A series of bold reforms, against a background of contending interests calling for deregulation and transparency, heralded the fourth stage from 1986. Policy subsequently shifted towards liberalisation as the invigorated private sector was called upon to drive industry and trade by emphasising non-oil exports.<sup>484</sup>

### ***3.1 1967-1970: economic rehabilitation***

Committed to building a successful industrial economy as a precondition for some future form of sustainable political participation, and in order to institutionalise their authority and command, President Suharto and his generals chose

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<sup>481</sup> World Bank, (1993), p. 22.

<sup>482</sup> World Bank, (1993), p. 86.

<sup>483</sup> Hill (1994) p. 67.

<sup>484</sup> Hill, (1994) p. xxxi.

corporatist economic policies and ideologies in their drive for economic development.<sup>485</sup> An elite group of techno-bureaucrats were charged with control of the state apparatus and by restoring macroeconomic stability through a pragmatic stance towards domestic and foreign capital Indonesia rejoined the international economic community.<sup>486</sup> Within a decade President Suharto was able to lead Indonesia into the exclusive ranks of the oil-producing states with sufficient revenue from oil and hydrocarbons to embark on an extraordinary program of development (*pembangunan nasional*).<sup>487</sup> A combination of bureaucratic-paternalism and orthodox economic policies drove the economic recovery. Controlling inflation, attracting foreign investment, and stimulating domestic industry, were prioritised and advanced through orthodox monetary and fiscal policies within a developmental regime of state-protected, import-substitution, industrialisation. The need for stability and the rebuilding of basic infrastructure demanded that pressing social and equity needs be subordinated to the imperatives of economic recovery.<sup>488</sup> Policies chosen to encourage and protect foreign investment were not so much the sell-out to Western economic and investment norms they appeared to be to the economic nationalists, as a hope that capital from the international investment community might assist domestic interests to establish themselves and ultimately take over ownership of the SOEs. The state met most of the needs of domestic capital and pressing infrastructure development through oil revenues with the availability of guarantees and state credits generally dependent upon patronage. Private corporations blossomed in an environment of political patronage and favour and plentiful soft capital from the state enabled domestic interests to assemble business empires that within a decade were dominating trade and manufacturing.

### ***3.2 1971-1981: the stimulus of oil revenue***

From 1968 the new foreign investment regime was attracting hitherto unprecedented investment interest and capital inflow. During 1967 Japanese

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<sup>485</sup> Robison (1988) p. 61.

<sup>486</sup> World Bank, (1993), p. 136. Anne Booth, 'Development: Achievement and Weakness,' in Donald Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), pp. 111-2. Suhadi Mangkusuwondo, 'The Indonesian Economy under the New Order, in Leo Suryadinata and Sharon Siddique, (Eds.), *Trends in Indonesia II*, institute of Southeast Asian Studies, (University of Singapore Press, Singapore, 1981), pp. 89-96.

<sup>487</sup> Vatikiotis, (1998), p. 34.

<sup>488</sup> Hill (1994) p. 67.

investment in Indonesia joint ventures had been less than \$US7 million but within two years rose to more than \$US132 million.<sup>489</sup> By 1973 economic-nationalist interests were more aggressively influencing economic policy and the brakes were being applied to capital inflow. Following violent demonstrations in 1973 during the first state visit by a Japanese Prime Minister economic-nationalist interests were assuaged by a further series of restrictions on foreign, particularly Japanese, investment.<sup>490</sup>

Economic rehabilitation during the early New Order remained within a relatively liberal framework but by 1975 resurgent economic nationalism and interventionary thinking was in the ascendance among the regime's economic planners and import bans and regulations that protected key strategic industrial sectors proliferated: moreover, the ideological imperatives of a *Pancasila*-ist economy required no less.<sup>491</sup> Massive petro-chemical revenues enabled the state to invest heavily on industrial development and an era of economic nationalism was producing an average annual GDP growth rate of 7.7%.<sup>492</sup> The dramatic improvement in terms of the trade brought about by the huge oil receipts enabled vast sums to be poured into strategic state sectors. Industrial strategy shifted towards capital- and intermediate-goods manufacture, state investment poured into infrastructure development and the major state corporations Pertamina (the national petro-chemical company) and Krakatau Steel led heavy investment into the key up-stream strategic sectors of petro-chemicals, fertilisers, and metal engineering.<sup>493</sup> Domestic capital also benefited from heavy state investment in communications and transport infrastructure and generous funding of imported technology enabling the new conglomerates to flourish in an economic environment stimulated by massive state expenditure made possible by huge windfall oil profits. Notwithstanding a time of rapid growth, a doubling of rice prices, quadrupling of international petro-chemical prices, the embarrassing Pertamina scandal, and resurgent economic nationalism, brought a degree of uncertainty to policy-making.<sup>494</sup>

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<sup>489</sup> Vatikiotis, (1998), p. 35.

<sup>490</sup> In all joint ventures a local partner was required from this point and a number of sectors were closed to new joint ventures. During most of the first oil boom period foreign entry into the Indonesian economy remained problematic and economic nationalism underwent a further resurgence during the second boom period. Hill (1994) p. 68.

<sup>491</sup> MacIntyre (1994) p. 249.

<sup>492</sup> Mangkusuwondo, (1981), pp. 94-5.

<sup>493</sup> Robison (1988) p.62-4. Hill (1994) pp. 68-9.

<sup>494</sup> Hill (1994) p.63. MacIntyre (1994) pp. 248-9.

The revenue generated by rising oil prices drove high rates of economic growth and strengthened regime cohesion so from the 1970s the revenue bounty encouraged interventionist thinking and enabled the New Order to place economic nationalism firmly back on the policy agenda.<sup>495</sup> A proliferation of protective import restrictions, tariff, and non-tariff barriers strengthened import-substitution industrialisation strategy.<sup>496</sup> Although by 1980 the balance of payments current account was in surplus and debt servicing payments were less than 13% of export receipts, Indonesia's trade and investment regime had begun to attract criticism from the World Bank as overly "state dominated and inward orientated."<sup>497</sup> Having committed itself to an emphasis on industrialization and blossoming with revenue from the oil bonanza, the growth-steering bureaucracy had strongly enhanced their influence and had become a burgeoning new middle-class. With the bureaucracy mushrooming from 1.67 million to 2.63 million civil servants between 1974 and 1983 (paralleling a similar growth in the state enterprises) the state had also become the nation's biggest single employer.

Firmly in control of the heavily regulated, state controlled, economic environment of mutually beneficial financial arrangements, where the boundary between political power and bureaucratic authority was becoming increasingly blurred, the powerful new middle-class was positioning itself well to share in the growing profits. But a series of financial scandals in the mid-1970s exposed the regime's increasingly corrupt image, none more so than between the bureaucracy and capital, and between 1974 and 1978 student demonstrations attacked the growing culture of corruption even targeting Suharto's family and associates. Business culture during this oil-boom period was effectively one of unabashed pursuit of personal wealth and the driving force behind the growth of private capital had become the political strength business leaders were able to wield.

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<sup>495</sup> Gilpin suggests that this is not surprising as stronger nationalist sentiments tend to be roused by moves towards deeper economic liberalization and international economic interdependence. Robert Gilpin, *The Political Economy of International Relations*, (Princeton University Press, Princeton, 1987), pp. 183-190

<sup>496</sup> A. Macintyre, (Ed.), in 'Power, Prosperity and Patrimonialism: Business and Government in Indonesia,' in *Business and Government in Industrialising Asia*, (Allen and Unwin, St. Leonards, 1994), pp. 250-1. Jones (1997), p. 120-1.

<sup>497</sup> World Bank (1993), p. 137.

### ***3.3 1982-1986: reducing oil revenues and necessary adjustment***

The huge petro-chemical returns that had enabled economic development through the 1970s ended in 1982 when the oil price per barrel fell from \$US38 to \$US28 and collapsed further in 1986 to \$US18, slashing export revenues from \$US14.7 billion to under \$US7 billion.<sup>498</sup> A serious reassessment of industrial strategy was clearly needed as foreign earnings and state revenue went into deficit. With the government unable to continue underwriting heavy investment on industrialisation, an alternative revenue base needed to be found.<sup>499</sup> As oil receipts represented some 75% of the country's total export earnings, and 66% of government revenue, the situation had become intolerable.<sup>500</sup> The rising external debt accompanying the economic slowdown signalled an end to the New Order's ability to continue financing growth out of oil so revenue-generation needed to be broadened. Notwithstanding an initial period of economic trauma, by adopting austere fiscal policies and dramatically cutting back on development projects, the New Order response earned praise from the World Bank for what was described as a "remarkably comprehensive and successful" adjustment programme.<sup>501</sup> By deferring a number of major development projects government expenditure was cut drastically and the rupiah was devalued in 1983 and again in 1986. Growth slowed and, by 1985, the economy was in recession but, refusing to be deterred, the government carried through with the adjustment process and by the end of the decade export growth had returned to a healthy 7% per annum.<sup>502</sup> Fortunately the economy was cushioned from forced fiscal austerity by a huge level of foreign aid exceeding \$US4 billion annually by 1989.<sup>503</sup> As well as maintaining overall macro-economic stability, adjustment priorities had reduced the economy's overall dependence on petro-chemical revenue.

The effects of the slowdown in economic growth and the drop in investor interest during the early 1980s led to demands for economic liberalisation to enable the private sector to compete more effectively domestically and internationally. The proliferation of non-tariff barriers advantaging well-connected interests and a business environment in which the regime protected favoured business groups were becoming

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<sup>498</sup> Vatikiotis, (1998), p. 38.

<sup>499</sup> Robison (1988), p. 66.

<sup>500</sup> Andrew MacIntyre, *Business and Politics in Indonesia*, (Allen and Unwin, St. Leonards, 1990), p. 56.

<sup>501</sup> World Bank (1993), p. 118-9. MacIntyre, (1990), pp. 57-8.

<sup>502</sup> World Bank (1993), p. 119.

<sup>503</sup> Vatikiotis, (1998), p. 39. MacIntyre, (1990), p. 57.



increasingly politicised issues. Powerful, well-connected, corporations continued to be the main beneficiaries of state regulation and control but by 1985 the effects of the downturn had led to demands for more general trade-regime reforms that might turn the protected, inward-looking, industrial sector into a more outward-looking and internationally-competitive one.

### ***3.4 1986-1997: deregulation, invigoration, and outward orientation***

The final development phase was one of deregulation aimed specifically at reducing the impediments to expanding the labour-intensive, export-manufacturing sector. Aware that the economy needed a more autonomous private sector if export growth was to be boosted, the state technocrats were coming to accept that the export-substitution monopolies underpinning regime patronage needed to be reduced.<sup>504</sup> The market difficulties of the 1980s had led to growing calls for a more liberalised and equitable market environment, less vulnerable to state intervention, so dropping oil revenues gave the technocrats leverage over the vested interests that they felt were stifling micro-economic efficiency. Realising that the 1986 slowdown and the ensuing balance of payments crisis demanded policy changes if the country was to become internationally competitive, the technocrats responded with wide-ranging deregulation to encourage domestic capital into export manufacturing.<sup>505</sup> Export incentives, a rupiah devaluation in 1986, further deregulation of domestic and foreign private investment, and permitting private sector investment access into the state-owned strategic assets of power, telecommunications, ports and roads, highlighted the strategic shift.<sup>506</sup> Trade barriers limiting manufactured exports were greatly reduced, foreign investment was again actively encouraged, and the subsequent surge in manufactured exports dramatically turned the economy around and returned it to rapid growth.<sup>507</sup> Increasing domestic demand for consumer goods fuelled by rising standards of living also accelerated a move into non-oil exportables from 1988.<sup>508</sup> The results were spectacular and between 1986 and 1996 manufacturing's share of exports increased from less than 20% to about 50% (from \$US2.7 billion to \$US24.5

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<sup>504</sup> MacIntyre, (1990), p. 58.

<sup>505</sup> MacIntyre, (1994) p. 255.

<sup>506</sup> World Bank, (1993), p. 138.

<sup>507</sup> MacIntyre (1994), p. 259.

<sup>508</sup> World Bank, (1993), p. 159.

billion). Compared with less than \$US16 billion in 1989, during 1995 the government approved some \$US70 billion worth of investment proposals.<sup>509</sup>

The real cost of the export drive was high and international competitiveness was difficult as long as the preferential trading arrangements for vital intermediate inputs (trading monopolies) held by well-connected individuals, including Suharto family members, continued to force the true cost of exports up by some 10% of the value of actual export sales.<sup>510</sup> To re-vitalise the stalled economy, some 185 trade monopolies were abolished during early November 1986 but the bureaucrats running the process left intact the “most important and controversial” monopolies and protectionist regulations operated by the President’s family and associates.<sup>511</sup> Effectively the import monopolies eliminated affected a mere \$US300-400 million of annual imports, while those left in place accounted for some \$US1.5 billion annually.<sup>512</sup> The monopoly culture, in many cases linked to the exorbitant rent-seeking activities of influential political figures, was seriously undermining international competitiveness and had become a very controversial and sensitive domestic political issue.

Deregulation successfully opened capital markets to foreign investment. To attract foreign investors away from better investment conditions elsewhere in Asia the President approved two bold initiatives in the early 1990s; in March 1992 foreign investors were permitted to set up enterprises under their own full control, and in June 1994 the requirement that foreign investors divest shareholding after a specified set-up time was virtually removed. The impediment to opening the capital-market to foreign investment remained that without a well-connected domestic partner navigating the as yet unreformed bureaucracy was problematic. Shifting policy away from protecting and regulating domestic capital in favour of freeing up international capital movement (and favouring international interests) also invited political risk by infuriating economic nationalists.<sup>513</sup>

De-regulatory reforms only minimally inconvenienced the major conglomerates and the politico-bureaucratic families. Privileged access to lucrative

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<sup>509</sup> Borsuk, (1999), p. 139.

<sup>510</sup> Borsuk, (1999), p. 138.

<sup>511</sup> ‘Suharto-linked Monopolies Hobble Economy,’ *The Asian Wall Street Journal*, Vol. X1, No.6. November 24, 1986,

<sup>512</sup> MacIntyre, (1990), p. 58.

<sup>513</sup> Robison (1988) p. 67.

monopolies and profit opportunities (such as providing the required ‘local’ content for foreign investment projects), state contracts, and preferential access to state bank credit, remained readily available for those with good political connections.<sup>514</sup> The conglomerates and politico-business families focused their commercial attention upon domestic trade, property development, non-export manufacturing, and the potentially lucrative automotive manufacturing sector, areas of the economy not under pressure to restructure and become internationally competitive. Some US\$31 billion of the US\$80 billion invested in lucrative ‘mega-projects’ developing power generation, public infrastructure, petrochemicals, fertiliser plants, industrial and residential estates, transport, and construction, during the early 1990s came from private investment either as direct investment, local partnerships with foreign investors, or in cooperative arrangements with state corporations. Powerful interests dominated the foreign investment arrangements providing local partners responsible for the influential contacts needed to acquire necessary licences, state contracts, and state bank credit. As Figure 1 below shows, political access to the new deregulated markets and capital ensured that elite interests continued to retain their advantages and their corporate power was enhanced rather than limited by the reforms.

Figure 1 The Indonesian economy’s resistance to reform.<sup>515</sup>

<i><b>Nothing to fear</b></i>	
<i><b>Much of Indonesia’s economy remains impervious to reform</b></i>	
<i><b>Type of restriction</b></i>	<i><b>Sectors in which prevalent</b></i>
<b>Cartels</b>	Cement, plywood, paper, fertiliser.
<b>Price controls</b>	Cement, sugar, rice.
<b>Entry and exit controls</b>	Plywood, retail trade.
<b>Exclusive licensing</b>	Clove marketing, soymeal, wheat-flour milling.
<b>Public-sector dominance</b>	Steel. Fertilisers, refined oil products.

<sup>514</sup> Robison (1997), pp. 36-41.

<sup>515</sup> *FEER*, October 16, 1997, p.58.

To facilitate foreign investment and accelerate industrial growth it was necessary to improve essential infrastructure so major upgrading projects were opened to private investors. Well-connected conglomerates and their politico-business family patrons, operating as minimal equity ‘gatekeepers’ partnering domestic and foreign interests, steered foreign capital into lucrative port, road, and airport construction opportunities previously held as state monopolies.<sup>516</sup> Whereas the licensing and concession benefits handed out by the state during the early days of the New Order strongly favoured Sino-Indonesian commercial interests (and their military and other elite patrons), by the early-1990s most opportunities were going to the Suharto family and associates whose growing wealth had come to rely totally upon continued state largesse.<sup>517</sup> When the Suharto family or an associate took part in any business venture their involvement virtually guaranteed a quick resolution to any legal and contractual problems.<sup>518</sup> Thus the spectacular expansion of the de-regulation period was dominated by the conglomerates, the politico-business families, and by Suharto family-related interests. Their hold over state power guaranteed ready access to state bank credit so their privileged position led the way in the industrial deepening.

Reform did little to create free and open competition for the new business opportunities the 1990s development boost and industrial deepening offered. The concentration of economic and political power accentuated increasingly apparent contradictions between highly advantaged Sino-Indonesian conglomerates and indigenous business interests on the periphery of access and privilege, between economic nationalists and the demands of the global economy, and between a limited number of reformist-minded state managers and predatory capitalists seeking state protection and credit.<sup>519</sup> The World Bank was also questioning inadequate levels of governance, regulatory weaknesses, the ongoing lack of transparency in tendering and contracts, and continued state support for cartels, exclusive licensing and domestic trading monopolies.<sup>520</sup>

Both domestic and foreign liberal reformists were targeting Indonesia’s massive public sector for privatisation but, on its own, the private sector was incapable of financing the infrastructure needs of the 1990s development boom so the

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<sup>516</sup> Robison, (1997), p. 39.

<sup>517</sup> *Far Eastern Economic Review*, September 5, 1996, pp. 56-7

<sup>518</sup> *FEER*, November 16, 1996, p. 71.

<sup>519</sup> Robison, (1997), p. 41.

<sup>520</sup> World Bank, 1995, xv-xvii. World Bank, 1993, pp. 136-145. Robison, (1997), pp. 43-45.

process of privatisation took place slowly. Privatisation was intended to move assets out of state control so nationalistic public support was not ideologically strong and *pribumi* businessmen in particular were suspicious of the process. There was also a general cynicism that privatisation would simply place state assets in the hands of the President, his family, and their Sino-Indonesian cronies. Because of the unpopularity of the process, when technocrats did manage to sell off state assets they did so with reluctance and caution. When state enterprises were sold to influential domestic interests rather than to unconnected indigenous interests, there was generally little transparency or regulatory control over the deal and with lucrative assets went to well-connected conglomerates and politico-business families further narrowed the concentration of economic power, monopoly, and wealth.<sup>521</sup> Those state managers who were committed to monetary discipline clashed with powerful politico-business interests that relied upon patronage and tame state banks to satisfy their capital requirements. Bureaucrats remained reluctant to discontinue traditional patterns of fund-provision to elite borrowers even though many clearly had little intention of repaying them. During December 1994 the World Bank claimed that the level of doubtful state bank loans stood at a staggering 18.6%.<sup>522</sup> Because they had ready access to capital, economic and corporate power remained with the President's family and associates, the conglomerates, and the politico-bureaucratic elites of the state apparatus through the 1990s. Shadowy coalitions and alliances, rather than transparent and equitable regulatory procedures, continued to determine market and capital access and accentuated an increasingly obvious inequitable accumulation of wealth.

The reform packages of the late 1980s had included a sweeping liberalisation of the banking system that gave private national and foreign banks more opportunity and space to operate locally. The Sino-Indonesian conglomerates in particular relished the opening and within two years more than forty new private banks were granted licenses to operate.<sup>523</sup> By 1996 private domestic banks, closely linked to the conglomerates, politico-bureaucratic families, and the first family had made major incursions into the previously state-dominated banking sector. The reforms might have been expected to open the markets to more liberal and transparent

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<sup>521</sup> World Bank, 1995, p. 49 and p. 79. *FEER*, January 30<sup>th</sup> 1997, p. 54. Borsuk, (1999), pp. 151-2.

<sup>522</sup> World Bank, (1995), p. 19.

<sup>523</sup> Vatikiotis, (1998), p. 41.

processes but the conglomerates and politico-bureaucratic family business interests clearly benefited the most. Generally best placed to benefit, the well-connected within the private sector gradually became skilled at exploiting the economic reform processes and the limited number of state companies actually privatised generally went at bargain-basement prices to those with good connections, the state having written off most of the debts. The well connected now included Suharto's children, old enough to enter the wealth accumulation business and become part of the new ownership class. In general the state maintained key monopolies in strategic areas and the reforms merely opened up new opportunities of "patronage in another guise" that allowed big business groups to expand into areas previously closed to them.<sup>524</sup> Unrestricted access to political power enabled the state brokers of economic privilege to circumvent the real intent of the reforms - more open and equitable market competition - to the commercial advantage of the politico-economic elites. Clearly the economy's rehabilitation, the freeing up of trade and investment and private sector investment in infrastructure, had fallen far short of a true commitment to *laissez-faire* capitalism.<sup>525</sup> The reform process had re-aligned key players without fundamentally altering the alliance of economic interests that underpinned the New Order economy and merely broadened the gap between the wealthy few and disadvantaged majority.

#### ***4. New Order economic cohesion and legitimacy***

MacIntyre identifies two basic dimensions to an authoritarian developmental state's relationship with its economy: the nature of the state's involvement in markets and the nature of business's involvement in political life.<sup>526</sup> He further qualifies the former in highlighting the effectiveness of state strength to the nature of the state's strategic intervention in both the domestic and global dimensions of its economy.<sup>527</sup> State intervention in the economy requires a willingness to use a level of both coercion and co-optation if the bureaucracy is to possess the means to effectively, and pragmatically, implement state policy without unnecessary distractions. Strategic intervention, implying high levels of direct state investment in industry and an active state-owned enterprise sector, also requires a bureaucratic elite

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<sup>524</sup> Vatikiotis, (1998), p. 44.

<sup>525</sup> Vatikiotis, (1998), pp. 56-7.

<sup>526</sup> MacIntyre (1994) pp. 1-2.

<sup>527</sup> MacIntyre (1994) pp. 3-4.

remaining willing to provide energetic entrepreneurial domestic capital with such “assistance and inducements” as are necessary to promote consensual “agenda-prioritised” economic performance.<sup>528</sup> Thus MacIntyre’s two dimensions merge when a strong, centrally co-ordinated, leadership introduces counter-balancing techniques of coercion with consensus/cooptation/cooperation (patronage/corruption/nepotism) to dominate the relationship between state and capital.<sup>529</sup>

The nature of state/business relationships and how they are constructed is clearly a critical variable in the realisation of state economic performance in Southeast Asia.<sup>530</sup> The over-riding concern of state development in the region, including Indonesia’s Suharto New Order agenda, was to prioritise economic development in the interest of national self-realisation. Evoking the powerful symbolism of modernity economic development became the mainstay around which most of the region’s governments based their legitimacy and, in turn, promoted the longevity of their leaderships.<sup>531</sup> Heading a regime that used hegemonic methods of socio-political control through the unifying tenets of the state ideology to drive economic development, Indonesia’s President Suharto legitimised his regime’s economic agendas by depicting himself as the Father of Development.<sup>532</sup> Supporters of the New Order further proclaimed their legitimacy on the grounds that after some two decades of Sukarno’s socio-political chaos, Suharto and his generals were able to negotiate socio-political stability and launch a process of controlled and essentially successful economic development that dramatically improved the economic position of the majority of Indonesia’s citizens. Pragmatic industrial and economic strategies, that also included periods of economic liberalisation, held the New Order economic alliance structure together, but when economic legitimacy came under threat the state unabashedly renegotiated elite interests and as necessary promoted economic nationalism.<sup>533</sup> Nation-building was nevertheless organised through economic development and socio-political stability underpinning an elite economic alliance

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<sup>528</sup> MacIntyre (1994) p. 5.

<sup>529</sup> Onis, (1991), p. 119.

<sup>530</sup> Ruth McVey, (Ed.), ‘The materialization of the Southeast Asian entrepreneur’, in *Southeast Asian Capitalists, Southeast Asia Program* (Cornell University, Ithaca, 1992) p.14. MacIntyre, (1994), p. 1.

<sup>531</sup> Of particular relevance to this research is the attention Hilley draws to the symbolism of ‘modernity’ in ‘crafting popular consciousness’ behind regime agendas. Hilley, (2001), p. 50.

<sup>532</sup> Damien Kingsbury, *Southeast Asia: A Political Profile*, (Oxford University Press, Oxford, 2001) p. 49.

<sup>533</sup> Nigel Harris, ‘States, Economic Development and the Asian Pacific Rim,’ in Richard P. Appelbaum and Jeffery Henderson, (Eds.), *States and Development in the Asian Pacific Rim*, (Sage, London, 1992), p. 83.

structure that, while satisfying the prime interests of each participant, also enabled broader mass interests to be placated with offerings of legitimising economic-nationalism and economic populism.

The economic woes of the mid- to late-1980s called for structural policy adjustments that required renegotiating the means by which privileged capital interests (the regime's clients) were favoured. New coalitions, relevant to a new array of growth-promoting policies and strategies, emerged to ensure that influential business elites maintained access to commercial power and advantage.<sup>534</sup> As commercial interests were realigned in response to changing structural arrangements, the rearranged hierarchy of economic privilege posed what Haggard and Kaufman called the "central political dilemma" for any state attempting to carry out substantive economic policy adjustment.<sup>535</sup> Re-arranging new patronage arrangements not only involved significant start-up costs as new clients are set in place but former, now dissatisfied, clients moved to the economic peripheries where *rentier* access was more restricted.

When the serious economic crisis hit Indonesia in 1997 the reformist faction within the bureaucracy, emboldened by encouragement from international financial institutions such as the World Bank, were to some degree able to prevail in policy debates.<sup>536</sup> "[E]xternal shocks at timely intervals" had traditionally reinforced a necessary culture of discipline among the state's techno-bureaucracy and prepared them to manage policy change and balance it with the politically sensitive issues change inevitably created in the relationship between state and capital.<sup>537</sup> From the mid-1990s the powerful techno-bureaucrats were almost exclusively prioritising the business interests of the ruling elites without allowance for the necessary compromises with subordinate interests essential to a *Pancasila*-ist economy. The President, his family and associated business interests, together with the techno-bureaucratic elites themselves exclusively dominated the New Order economic system.<sup>538</sup> But the alliance of economic dominance they had created was not

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<sup>534</sup> MacIntyre (1994), pp. 17-8.

<sup>535</sup> Stephen Haggard and Robert Kaufman, 'Institutions and economic adjustment' in Haggard and Kaufman, (Eds.), *The Politics of Economic Adjustment*, (Princeton University Press, Princeton, 1992), p. 18.

<sup>536</sup> MacIntyre (1994), pp. 15-6: MacIntyre implies exogenous variables of economic pressures exerted upon the state by volatile oil prices and demands for more liberal economic opening.

<sup>537</sup> MacIntyre (1994), p. 23.

<sup>538</sup> Robison, (1997), p. 57.



sustained through any deepening in the systems of rules, or procedures surrounding property-rights and contracts, nor was the economic system subject to stronger institutional structures. It was rather that the New Order was coping with the new, problematic, realities of market adjustment by merely re-aligning elite power locations, coalitions, and alliances to the detriment of the subordinated, predominantly *pribumi*, majority. Contradictions drove economic priorities and the balancing of elite economic interests vital to the system became socio-politically and ideologically problematic. Issues of equity and social justice, the iniquitous concentration of economic and political power among an elite minority, contradictions between economic nationalism and the need to integrate with the global economy, and, as Robison puts it, tensions between a bureaucracy committed to “fiscal discipline and predatory capitalists seeking state protection or credit” were causing unacceptable levels of socio-political tension.<sup>539</sup> By 1997 the New Order economic arrangement was ill prepared to cope with the contagious effects of the Asian economic and the impact of financial crisis on the Indonesian economy.

## 5. *Summary*

This section summarises the chapter’s explanation of the Suharto New Order in terms of the Gramscian model as an economic bloc and the utility of the comparison. The New Order complied to a large extent with the legitimising nationalist and populist ideological demands of a *Pancasila*-ist economy and responded when necessary to changing economic circumstances and demands with a variety of economic frameworks and sustained hegemonic alliance arrangements that provided key interests with ongoing preferential advantage and access to business opportunity. Prime characteristics of the Gramscian hegemonic order were therefore exhibited. Yet the New Order failed the model to the extent that in contradiction to a *Pancasila*-ist economy’s ideals, the leadership did not live by the values of ideological legitimacy: consensual participation in the bloc’s economic arrangement had more to do with co-optation through corruption and preferential socio-political advantage than an egalitarian and equitable sharing of socio-economic benefits. The analytical value of the model and in particular the ideologically-based nature of the approach is compelling as are Gramsci’s insights in explaining the ultimate failure of

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<sup>539</sup> Robison (1997), p. 41.

the New Order economic bloc in 1997/8. An appropriate model should identify factors of ideological legitimacy and potential counter-hegemony as the underlying causes for bloc failure and Gramsci's insights are not disappointing: the Gramscian imperatives of sustaining organic intellectual legitimacy provide explanations in terms of coherence within the New Order's two key organic constituencies, the Armed Forces and the techno-bureaucracy, and the contradictory demands on New Order ideological legitimacy of both necessary systemic corruption and calls for economic and financial reform.

Economic nationalism, state ownership of key sectors, state investment in the economy and economic populism, coupled with *Pancasila's* requirements that an egalitarian society equitably share economic benefits, elements of economic liberalism echoing the demands of foreign pressures, and predatory bureaucratism provided a useful means of co-opting influential business interests into the regime's alliance structures and agendas as well as satisfying corporate acquisitive instincts. Ideologically driven nationalist policies strengthened the bloc's ideological legitimacy and economic-populist initiatives increased the regime's popular legitimacy by seemingly countering perceived Sino-Indonesian economic power more in favour of the *pribumi* majority. Heavy state investment in the economy strengthened the nationalism implicit in a *Pancasila*-ist economy and persuasively legitimised the New Order's ideologically motivated economic policy agendas. Yet while the regime argued that the state economic sector balanced the Sino-Indonesian dominated private sector more in favour of *pribumi* commercial interests, in reality only a small minority of primarily well-connected Javanese indigenous interests - led by the President and his associates - shared in the spoils of development. Both *Pancasila* and Article 33 of the Constitution carried implicit legitimising economic logic in calling for state economic activity organised around a joint endeavour with the people for the "benefit of the people" but under the New Order, most of the benefits of economic development were unequally shared.<sup>540</sup> Predominantly Sino-Indonesian conglomerates (notwithstanding heavy elite share-holding) contributed some 60% of GDP during the early 1990s compared with 25% from the state sector and co-operative ventures, the private sector controlled 62% of capital investment compared with 38% from the state and co-operative sectors, while during the late-1980s the

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<sup>540</sup> MacIntyre, (1994), p. 246.

private sector coupled with foreign interests owned 76% of manufacturing excluding the state-owned petro-chemical industry.<sup>541</sup> Notwithstanding a *Pancasila*-ist economy's egalitarian tenets, a clear state/private balance favouring the latter and profound socio-economic inequity implied that rent flows considerably influenced the sharing of the fruits of economic and industrial development and put to question the New Order economic bloc's popular legitimacy. Such matters had profound socio-political consequences during the last few months of the New Order following the 1997 economic crisis and seriously questioned President Suharto's right to office in terms of ideological legitimacy.

Representing, in Gramscian terms, the most powerful organic constituency ABRI's officer corps forged an influential socio-economic and political position for their institution in mutual accord with other elite commercial classes as senior participants in the alliance arrangements privileged with ready access to investment capital. ABRI's direct involvement in business activities, ideologically legitimised by its self-proclaimed *Pancasila* derivative *dwi fungsi*, provided the rationale for military expansion into a number of areas traditionally closed to conventional military forces. As doctrine, *dwi fungsi* legitimised the military taking all steps to serve the Indonesian state, including egalitarian and economic-nationalist development, so from Sukarno's instruction during the early 1950s that the military take over Dutch business interests, ABRI set a course that fell in line with the spirit, if not the original intent, of the doctrine. The opportunity their business activities offered to cover budget shortfalls, as well as access to personal and institutional enrichment, highlighted the self-interested success of the arrangements. ABRI's business activities also offered a useful position from which to watch over and influence socio-political affairs. While deploying trusted officers into key strategic industries and the major state-sector trading and financial organisations to a great extent placated the *Pancasila*-ist economy's nationalist orientations and legitimised ABRI's behaviour in organic terms of Gramscian legitimacy, the arrangements also ensured funds flowed smoothly for both the regime's dispersal and individual officer's material gratification.

Faced from the outset with a plethora of potentially problematic ethnic differences, in broad terms of race, culture, and religion, *Pancasila* also provided the

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<sup>541</sup> Above, section 1.4, p. 147.

New Order economic bloc a base from which to unify the nation ideologically and intellectually behind economic and political development. By constantly balancing the interests of the bloc's key players with the needs of economic development (not least the inherent contradictions between institutionalised corruption and both domestic and international demands for equitable, market-friendly economic policies) until the mid-1990s the New Order paralleled the Gramscian model in its re-adjustment and re-negotiation of complex relationships when necessary to subordinate alliance partners to hegemonic agendas.

At the heart of New Order ideological legitimacy, a *Pancasila*-ist economy called for an economic system built on social justice, economic and social egalitarianism and prosperity. But by the mid-1990s it was apparent to most Indonesians that the system was built on endemic corruption, nepotism and an inequitable, unjust, sharing of the fruits of development. The system was therefore ill equipped to cope with the externally generated economic crisis of 1997. The bloc's second most powerful organic constituency, the economic techno-bureaucracy, had remained throughout the course of the New Order prepared to make dramatic economic policy shifts as and when necessary but, although aware of the progressive deterioration in the economic situation, remained reluctant to prejudice the interests of business elements close to the power structure and in particular the President, his family, associates and cronies. The privatisation processes forced upon the bloc by the demands of a more internationally competitive economic environment were merely employed to further benefit the interests of the ruling elites and their business associates. While techno-bureaucratic organic influences conformed to the practices implicit in the Gramscian model by showing a preparedness to re-arrange economic alliance patterns in response to changing economic conditions, the results, although arguably ideologically legitimate in terms of a *Pancasila*-ist economy's nationalist/populist imperatives, merely perpetuated an increasingly corrupt business culture. As well as severely undermining international competitiveness, organically generated economic reform processes merely raised controversial and sensitive socio-political issues. The networks of advantageous business links around the President's family and associates, and his offspring's corrupt business activities, aggravated deepening socio-political problems and increasingly contradicted and questioned the

economic bloc's ideological legitimacy and thus the moral and intellectual leadership of the New Order itself.<sup>542</sup>

The New Order economic bloc had been originally constructed on global investment and participation in global markets to create sufficient revenue to underwrite national development, but elite interests disproportionately benefited from the spoils of development. A Gramscian-style balancing of coercion with ideological persuasion subordinated the nation to the needs of economic development but sealing the arrangement required a continuous stream of surplus income to construct and sustain appropriate alliances with key socio-political and corporate interests. While most of the revenue was used legitimately to administer the affairs of state and thus maintain the societal stability necessary to sustain the New Order bloc, additional surpluses were required for "illegitimate distribution" among those upon whose continuing support bloc cohesion depended.<sup>543</sup>

The New Order economic bloc had been constructed primarily to creatively and pragmatically balance growth conditions and provide business opportunity for the regime's corporate clients but a predominance of patronage and corruption eventually called to question the ideological legitimacy of the New Order's representation of a *Pancasila*-ist economic system. Favoured domestic capital interests became the principle beneficiaries of an exceptional *rentier* culture and never more so than during the periods when economic interventionists were driving economic policy. Protected by tariff walls the New Order state used the enormous oil revenues at its disposal from the 1970s to strengthen the bloc's alliance of economic domination and underwrite an exclusive dispersal of favour and economic opportunity. Patrimonial ties between the state and domestic capital were deemed necessary for corporate success and ideological cohesion but despite official rhetoric to the contrary, and with the exception of the President's family and associate's business interests, the indigenous majority were increasingly marginalised by favoured, predominantly Sino-Indonesian, corporate interests. The New Order economic bloc became a mere "infusion of patrimonial distributional networks" linking powerful strata of officialdom with capital elites in a culture of patronage

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<sup>542</sup> Adam Schwarz, 'All is relative: Suharto family's businesses face mounting criticism in Indonesia,' *Far Eastern Economic Review*, 30 April, 1992, p. 56

<sup>543</sup> Liddle (1997) pp. 297-8.

where business success was premised upon privileged access to hegemonic power.<sup>544</sup> By the mid-1990s, the New Order developmental state's economic bloc was neglecting the economic egalitarianism implicit in the *Pancasila*-ist ideological pretensions that in Gramscian terms underpinned hegemonic legitimacy.

Throughout the New Order the powerful institutionalised organic influence of an increasingly predatory techno-bureaucracy, empowered to allocate licensing, monopolies, bank credit, and access to capital and state contracts, linked economic and political power. The New Order economic bloc also met the imperatives of the Gramscian model by demonstrating an ongoing preparedness to renegotiate alliance arrangements as necessary. In the face of changing economic realities and in response to international and domestic demands for more liberal economic policies, the bloc's ideological underpinnings were modified from the late 1980s by instituting minimal levels of regulatory reform that included a program of privatisation. Given the serious economic and socio-political opposition from economic nationalists to reform processes and the alliance refurbishment privatisation came to represent, only a minimal number of lucrative state assets were sold outside elite corporate interests. The processes were merely manipulated by the regime as opportunities for hegemonic re-arrangement to integrate influential favoured interests into the hegemonic order. The privatisation programme ran from the late-1980s into the 1990s but did no more than re-arrange the reward system and tighten regime cohesion by transferring wealth and commercial advantage to strategically placed politico-corporate elites.

Gramsci's hegemonic bloc is defined by an ideologically legitimate relationship between state and capital arranged and sustained by organic intellectuals tasked with legitimising the dominant class's economic developmental agendas through top down relationships bound by ideological consensus (and thus legitimacy), uniting all classes behind the regime's economic world-view. The typical characteristic of these relationships is ongoing socio-political and ideological struggle that require certain conditions being met and sustained. This is the real value of Gramsci's understanding of hegemony in that it emphasises an ongoing need for re-negotiating hegemonic legitimacy in response to changing conditions between peer and subordinate groups by altering patterns of alliances rather than simply dominating

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<sup>544</sup> MacIntyre (1994), p. 244. Bertrand, (1998), p. 372.

by force. Meeting the Gramscian hegemonic model's requirements therefore required the New Order economic bloc constantly co-opting and renegotiating subordinate and alliance consent to its economic agendas and consent needed to be gained through practices compatible with legitimate state institutions and processes and by using legitimising ideological discourse. But the reality of the New Order economic bloc as a genuine *Pancasila*-ist economy fell short of the ideal model. While elite alliance consent was effectively co-opted and renegotiated as necessary in the face of changing economic conditions and circumstances through the hegemonic refurbishment opportunities provided by privatisation and regulatory reform, mass subordinate interests were neglected. Because of the bloc's inherent corruption and unambiguous socio-economic inequity the vital element of mass consensus was missing and the leadership became increasingly estranged from the non-compromisable values and interests of the masses.

In the sphere of economics the New Order arrangement - its economic bloc - is well explained by the Gramscian hegemonic model. The very essence of Gramscian hegemonic order, the balanced duality of coercion with consensual support, is clearly evident in the New Order's emphasis on the persuasive techniques of co-optation and compromise to gain support from key economic sectors for their imposed (coerced) economic policy agendas. The nature of a developmental state's strategic intervention in its economy has important implications and none more so than the state's willingness to provide its techno-bureaucracy with the coercive means to effectively and pragmatically implement state policy agendas. The New Order's organic techno-bureaucrats served this function but also effectively co-ordinated the consensual aspects of Gramscian hegemony by both providing necessary domestic capital and empowering its use with assistance and inducements. Although defined by techniques of consensus, cooptation and co-operation counter-balancing coercion, the relationship that resulted between the New Order state and capital effectively evolved as a culture of patronage, corruption and nepotism balancing forced compliance.

In terms of the Gramscian model, the New Order economic bloc underperformed in its organic intellectual functions. The inequitable dispersal of benefit clearly contradicted the bloc's ideological legitimacy in terms of the *Pancasila*-ist economy's imperatives of an egalitarian society and an equitable sharing of benefits.

Advantaged and indulged, charged with the essential Gramscian hegemonic function of disseminating the state ideology's economic imperatives on behalf of their sponsoring class, the organic intellectuals of the New Order techno-bureaucracy, while becoming the self-satisfied bedrock of a burgeoning middle-class, in turn perpetuated the corrupt and inequitable arrangement that defined the New Order economic bloc. There was little alternative to their prioritising the ruling order's elite interests; recalcitrant techno-bureaucrats would simply be replaced by those that would. Moreover, by complying with the demands of their superior class, the techno-bureaucracy was meeting cultural expectations of their class.<sup>545</sup> This issue of subordinate compliance based on cultural grounds of traditional obsequiousness<sup>546</sup> tends to contradict the function of the Gramscian organic intellectual charged with disseminating the ideologically based values of its sponsoring class. Hilley also identifies this culture of deference and reluctance to oppose guidance from above in the behaviour of the Malaysian bureaucracy and civil service under Mahathir but sees no need to compare their traditional behaviour with the function of the Gramscian organic intellectual.<sup>547</sup> But the inconsistency can be reconciled somewhat by Gramsci's insights into the close relationship between ideology and culture and his view that the organic intellectuals' prime hegemonic function is to craft society's acknowledgement of their sponsoring classes' ideological superiority over the cultural order including resolving the inevitable conflicts that arise between *alta cultura* and *cultura popolare*.<sup>548</sup>

The Gramscian model also has much to say about counter-hegemony. Gramsci's insights prove highly useful in providing an explanation as to why an effective counter-hegemony failed to arise and coalesce around an alternative rendering of ideology to that of the New Order economic bloc. First and foremost the Gramscian hegemonic model is more concerned with the hegemony of the higher and middle classes (the bourgeoisie) controlling production than that of the masses (the proletariat).<sup>549</sup> To achieve ideological superiority an emergent counter-hegemony must develop firm roots in the world of economic production and exert its authority

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<sup>545</sup> Chapter 3, section 1.3, pp. 107-110.

<sup>546</sup> Chapter 3, section 1.3, p. 108.

<sup>547</sup> Chapter 1, section 2, pp. 49-50.

<sup>548</sup> Chapter 1, section 1.9.1, p. 42.

<sup>549</sup> Chapter 1, section 1.2, p. 21.



over the state's economic processes.<sup>550</sup> Therefore, in the New Order context, an alternative hegemony would need to have risen from either of two sources: from a split within the organic constituency dominating economics and production (and underpinned by an alternative, not necessarily completely new, rendering of ideology), or from the masses underpinned by traditional ideological renderings based on the masses acquiring control of the means of production.

In the former scenario, it is difficult to reconcile the New Order situation with the Gramscian model in trying to explain the growing divergence between reformists committed to monetary discipline and those committed to the *status quo* in terms of the Gramscian traditional/organic intellectual dichotomy and emergent counter-hegemony.<sup>551</sup> Notwithstanding that the President was the final arbiter of policy direction, the Gramscian model provides little utility in identifying a clear-cut traditional/organic power distinction among the New Order bureau-technocrats charged with the bloc's economic and financial policy implementation. By drawing on egalitarian ideals of an equitable sharing of resources *Pancasila*-ist values steering New Order economic agendas already incorporated values generally expected of Indonesian traditional interests so, at least as represented by *Pancasila*, both traditional and organic influences had been assimilated into hegemonic arrangements. To encourage international investment the organic economic constituency had been constructed in the first place in response to the demands of global agendas but disagreement within the techno-bureaucracy from the late-1980s about the need for reform and an end to corruption were also responses to global agendas, certainly not culturally-based, and represented organic inconsistency and contradiction. In terms of the economic bloc's organic constituency, there was insufficient emergent traditional constituency cohesive enough and imbued with alternative values upon which an alternative counter-hegemony could coalesce: there was merely a minority view emergent *within* the New Order organic constituency that was responsive to global influences calling for financial transparency and economic de-regulation and able to call upon *Pancasila* to justify its stance.<sup>552</sup> Moreover, in Gramscian terms, the only

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<sup>550</sup> Above, p. 133. Chapter 1, section 1.4, pp. 29 and 31.

<sup>551</sup> Above, section 3.4, pp. 164-170.

<sup>552</sup> For more on the schism within the organic economic constituency see below and the accommodations between the minority bureau-technocrats committed to more economic reform and fiscal transparency and the majority economic nationalists committed to the economic status quo. Chapter 7, section 4.1, pp. 305-309.

potential emergent counter-hegemony built on alternative traditional values came from muted calls for a more Islamicised economy and which carried little cultural basis anyway.<sup>553</sup>

In the latter scenario, Gramsci's Marxist orientation is telling: a mass based counter-hegemony could seemingly only occur through a successful revolution such as that of the Bolsheviks in 1917 and paralleled in the New Order context as a mass-based popular uprising taking total control of the Indonesian state and thus the means of production and the economy.<sup>554</sup> From the mid-1990s the legitimacy of the New Order's bureaucratic and corporate hegemonic arrangements with Indonesian society, that had for some three decades underpinned the New Order economic system, came under threat from an emergent popular opposition outside the techno-bureaucracy. Led by a loose and diverse assemblage of traditional intellectuals, popular, mass-based opposition focused on economic inequity, social injustice, and the continuing denial of democratic processes. Traditional intellectual reformists turned to an alternative rendering of a legitimate *Pancasila*-ist economy calling for more open and effective market reforms, questioned the lack of governance and weak regulatory legal and administrative frameworks, and voiced a growing distaste for a business culture that, through its virtual institutionalisation of political manipulation, monopolies, cartels, banking collusion and corruption, lacked the moral and intellectual legitimacy implicit in *Pancasila*.<sup>555</sup> With the deteriorating economic situation, any remaining illusions as to the legitimacy of the New Order's representation of a *Pancasila*-ist economy had been well, as Gramsci put it, demystified.<sup>556</sup> Demands for *demokrasi dan reformasi* compounded the questioning of the socio-political and economic status quo and an emergent, potentially powerful range of traditional intellectual constituencies displayed all of the characteristics of a nascent Gramscian counter-hegemony. In terms of the Gramscian model, the New Order economic arrangement neglected mass interests and failed to sustain critical socio-economic alliances of popular interest yet, notwithstanding the dramatic overthrow of the regime in 1998, a coherent economic counter-hegemony failed to

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<sup>553</sup> Chapter 3, section 1.3, pp. 107-110.

<sup>554</sup> In 1917 Russia the masses coalesced into a successful counter-hegemony underpinned by implicit ideological foundations (communism) to take the means of economics and production away from the Russian bourgeoisie state.

<sup>555</sup> *World Bank*, 1995, xv.

<sup>556</sup> Chapter 1, section 1.6, p. 37.

emerge around transformed or rearticulated ideological arrangements either from within the masses nor from contradictions among the bloc's organic alliance structures.<sup>557</sup> Notwithstanding leadership change and a degree of fiscal reform and adjustment sufficient to secure assistance from international financial institutions to ease the effects of the economic crisis, the location and concentration of Indonesia's economic power and wealth remained relatively unchanged. Comparison with Hilley's Mahathirist hegemonic project, hegemonic obsolescence, decay and response to emergent counter-hegemony is appropriate. Faced with demands similar to those confronting the Suharto regime with the onset of the regional financial crisis and similar calls for more liberal processes in the context of more heightened Islamic values, Mahathirism sustained support for its hegemonic agendas through processes of hegemonic refurbishment based on more consensual and thus more legitimate societal consent than formerly and promised a more equitable distribution of wealth and the fruits of economic progress.<sup>558</sup>

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<sup>557</sup> Chapter 1, section 1.6, p. 37.

<sup>558</sup> Chapter 1, section 2, pp. 49-56.

## Chapter 5

### *The Suharto New Order as a Gramscian historic bloc: its political form, the 'political bloc'*

Before discussing the political form of the New Order historic bloc it is necessary to outline relevant elements of the Gramscian model. As detailed in chapter 1, Gramscian hegemony closely ties ideology into socio-political systems in such a way as to be accepted by the general population as a “universally valid” expression of the national interest.<sup>559</sup> It is also the nature of Gramscian hegemony that the cohesive qualities of ideology essentially overlay (and thus bind) the arrangement of the bloc formed. Linked to the dominant social order, organic intellectual influences give substance to the bloc’s hegemonic structures by disseminating a discourse that secures mass acceptance of the regime’s interpretation of ideology. Acceptance of the arrangement is organised through direct political leadership with citizens drawn to conforming to political processes through genuine democratic institutions.<sup>560</sup> The essence of Gramscian hegemony therefore is that socio-political decision-making based upon ideological leadership functions as legitimate state activity. But because hegemony can only last as long as the cohesion of the alliances upon which the bloc is built is sustained, hegemonic consistency requires organic influences maintaining on-going process and conquering alternative ideological inputs by winning them over through various strategies that include the assimilation of subordinate groups’ non-negotiable values.<sup>561</sup>

At the heart of hegemony and hegemonic order a duality of coercion and consensus balances subordinating opposition through force when necessary and the consensual support of subordinate groups through techniques of co-operation, co-optation, and compromise. The hegemonic legitimising combination of coercion and consent are arrived at through the normal outlets and institutions of public expression

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<sup>559</sup> Benedetto Fontana, *Hegemony and Power: on the Relationship Between Gramsci and Machiavelli*, (University of Minnesota Press, London, 1993), p. 140.

<sup>560</sup> Joseph Femia, *Gramsci’s Political Thought: Hegemony, Consciousness and the Revolutionary Process*, (Clarendon Press, Oxford, 1981), p. 37.

<sup>561</sup> Translated by Q. Hoare and G. Nowell Smith, (Eds.), *Antonio Gramsci; Selections from the Prison Notebooks*, (International Publishers, New York, 1971), p. 10. Luciano Pellicani, *Gramsci; An Alternative Communism?*, (Hoover Institute Press, Stanford, 1981), p. 32.

exercised in a parliamentary environment.<sup>562</sup> It is also essential that the balancing processes respond to conditions existing at any particular time and that corresponding arrangements of socio-political control be constantly adjusted and reaffirmed. As a consensually based socio-political system that consciously acknowledges moral and intellectual legitimacy, hegemonic political order is therefore sustained by ongoing refurbishment and renegotiation of top-down socio-political alliances in the face of socio-political contestation. Only as long as a ruling order is able to co-opt and sustain subordinate consent to its agendas does a class remain hegemonic and prevent the emergence of cohesive counter-hegemonic socio-political forces based on an alternative representation of ideology. For an alternative rendering of ideology to emerge and legitimise counter-hegemony it must effectively challenge the organic cohesion of the hegemonic alliances upon which the political bloc has been built. The alternative must also in itself be cohesive and more than merely question the legitimacy of hegemonic ideological discourse. Hence Gramsci's argument that an emergent cohesive counter-hegemony must be structured in such a way as to demystify society's ideological subordination comprehensively across mutually inclusive political and economic, as well as ideological, affairs.<sup>563</sup>

Focusing on the socialisation of power, Gramsci's concept of social politics steps beyond what he regarded as the problem of "who gets what, when, and how" and addresses the more significant socio-political question of "who holds power over whom and how?"<sup>564</sup> The relations entailed depend on the authority of elite interests, strategic alliances, and "moral and intellectual leadership at the national-popular level" occurring over an extended period of hegemonic order thus their analysis utilises the form of an historic bloc.<sup>565</sup> Representing the Suharto New Order as such a temporal construct details the historic processes by which these relationships were managed to realise and sustain the regime's dominant position over society, how an appropriate level of social consent and moral-cultural leadership balanced a sufficiency of coercion and force, and how these relationships were sustained across

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<sup>562</sup> Hoare and Nowell Smith, (1971), p. 80.

<sup>563</sup> Femia, (1981), p. 56.

<sup>564</sup> Benedetto Fontana reviewing Maurice A. Finocchiaro, *Beyond Right and Left: Democratic Elitism in Mosca and Gramsci*, (Yale University Press, New Haven, 1999), in the *American Political Science Review*, December, 1999, p. 13.

<sup>565</sup> John Hilley, *Malaysia: Mahathirism, Hegemony and the New Opposition*, (Zed Books, London, 2001), p. 254.

each of the bloc's three overlapping economic, political, and ideological forms.<sup>566</sup> The process required rule through a pact of domination: the Indonesian ruling class's alliances of elite<sup>567</sup> interests established and sustained its socio-political domination by drawing legitimacy from ideological (moral and intellectual) leadership balanced with a sufficiency of coercion to subordinate the majority popular masses to its agendas. But the extent to which a society is consciously persuaded to the legitimacy of moral and intellectual leadership always requires that the dominant order's "particular view of reality" be firmly institutionalised alongside processes that are able to be modified to reassert legitimacy as necessary in the face of challenge.<sup>568</sup> While the institutional means of portraying the New Order's view of socio-political reality was ideological persuasion, its institutional form was the state ideology *Pancasila's* political derivative, *Pancasila demokrasi*. This chapter will outline how the Suharto New Order legitimised their view of socio-political reality through constitutional processes based on ideology, imposed and sustained them upon Indonesian life, and assess the extent to which alternative renderings were resisted. In so doing the chapter will explain how the somewhat 'feudalistic' socialising tendencies of elements of an Indonesian elite class at the "decisive nucleus of

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<sup>566</sup> Fontana (1993), p. 3. Gramsci had redefined the Marxist/Leninist view of the state as simply a coercive instrument employed by the ruling class to dominate the masses to one that conceived the state through the duality of dictatorship/hegemony plus political society/civil society, the former represented as force (*dominio*) and the later by consent (*direzione*).

<sup>567</sup> For the purposes of this research Shore provides the working definition of 'elite' class as that group that occupies the most influential position or role in the important spheres of societal life. Typically they are 'incumbents ... leaders, rulers, and decision makers ... custodians of the machinery of policy-making whose decisions crucially shape what happens in the wider society'. Chris Shore and Stephen Nugent, (Eds.), *Elite Cultures: Anthropological Perspectives*, (Routledge, London, 2002), pp. 4-5. The elite dominate the 'means of orientation: their ideas and interests are hegemonic'. Elias Norbert, *The Civilising Process, (Vol.1), The History of Manners*, (Blackwell, Oxford, 1978), cited in Shore, (2002), p. 6. In order to constitute themselves as a group an elite develops a common culture recognisable to its members and elite self-recognition is developed through 'consciousness, cohesion, and conspiracy'. Abner Cohen, *The Politics of Elite Culture: Exploration in the Dramaturgy of Power in a Modern African Society*, (University of California Press, Berkley, 1981), p. 26. In the Indonesian context, C. Wright Mills' 'hegemonic power elite' is appropriate. C. Wright Mills, *The Power Elite*, (Oxford University Press, New York, 1956). The 'power elite' is seen as possessing unanimity on the essential issues of the political economy and while not the ultimate determinant on all issues, is certainly able to set the agenda and boundaries of political debate and in the necessary elite overlapping of governance and corporance is naturally 'cohesive' rather than 'conspiratorial'. Shore, (2002), p. 18. 'Qualifying adjectives' of 'business', 'military', 'governing', 'religious', and 'bureaucratic', identifies sub-elites. Watson, (Shore and Nugent, 2002), pp. 112-4. The boundaries around the sub-elites are also 'porous ... with problems of definition'. Watson (2002), p. 110. The sub-elites of Indonesia are themselves under tension: the religious elite through a modernist-traditionalist cleavage; the military elite split between 'green' Islamic factions and 'red' secular-nationalists; the political elites crossing liberal and conservative plains; the bureaucratic tension between the center and the periphery; and the business elite between the Sino-Indonesian conglomerates, their associates, and *pribumi* interests.

<sup>568</sup> Fontana (1993), p. 32.

economic activity”<sup>569</sup> established and maintained political domination over Indonesian society from 1966 until the mid-1990s and an explanation for their failure to sustain socio-political consensus and cohesion into 1997/8.<sup>570</sup>

## ***1. The politics of the New Order bloc***

### ***1.1 Origins***

The relatively open and participatory nature of the 1955 elections heightened military antagonism towards the political party system and ABRI’s anti-party bias from the beginning of the decade was largely responsible for President Sukarno’s declaration of martial law in 1957. During the early years of independence, and in particular the electioneering leading up to the 1955 election, rather than functioning as a representative process aggregating and articulating diverse competing political interests, the Indonesian parliamentary system had been little more than an “arena for intra-elite competition.”<sup>571</sup> The 1955 election showed that political parties had little empathy with the broader interests of Indonesian society, particularly outside central Java, and rather served those of a loose grouping of central national elites. The system did entertain a certain amount of success in promoting elite solidarity except that party interests differentiated by party affiliation were largely linked through “exclusive membership of the relatively small, Jakarta-based, national elite.”<sup>572</sup> The 1955 election did however succeed in introducing strong divisive forces into the formerly insulated world of elite Jakarta politics.<sup>573</sup>

The political stalemate that resulted from the 1955 elections and parliament’s subsequent ineffectiveness forced changes upon elitist Jakarta politics. To the concern of the predominantly Javanese, secular-nationalist, military elite, to broaden their support base the political parties were forced to turn to the peripheries of central power and the mass religio-cultural communities with their propensity for

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<sup>569</sup> Hoare and Nowell Smith, (1971), p. 161.

<sup>570</sup> Roeslan Abdulgai, a former Foreign Minister and more recently general adviser to Megawati in the *Far Eastern Review*, 1<sup>st</sup> August, 2002. In the same article, Lt. General Agus Wijoyo, the leader of the military faction in the DPR saw the problem underlying the failure of New Order politics as being that solutions to problems were being arrived at through power and authority (and some charisma) rather than the more traditional consensus and debate that had previously underpinned New Order hegemony.

<sup>571</sup> J. Eliseo Rocamora, ‘Political Participation and the Party System: The PNI Example’, in R. William Liddle, (Ed.), *Political Participation in Indonesia*, (Yale University of Southeast Asian Studies, New Haven, 1973), p. 145.

<sup>572</sup> Rocamora, (1973), p. 145.

<sup>573</sup> Rocamora, (1973), p. 158.

“primordial loyalty”.<sup>574</sup> In competing with each other and for the support of the two principal sources of power, the military and the President, party leaders were obliged to develop, and depend upon, provincial and communal mass followings. Un-willing to compromise with each other, party leaders saw themselves as the representatives of mass communities rather than, as formerly, members of an elite separate from the masses.<sup>575</sup> Lacking effective internal party mechanisms to legitimise leadership party competition became little more than mass mobilisation around personal agendas. To integrate themselves into the traditional world of rural Indonesia the political parties of the modernising national elites were forced to link communal concerns to their own agendas but, in doing so, deepened cultural and religious divisions among the masses. This situation seriously concerned the military elite. Mass mobilisation by *Masyumi*, the PKI and the PNI toward the end of Guided Democracy justified military concerns by inflaming sectarian tensions and ultimately led to the cataclysmic events and blood-letting that followed the October 1965 coup attempt. Having grown increasingly hostile to the very existence of political parties the military’s rise to power during the period of Guided Democracy came largely at the expense of participatory politics. Following the abortive coup the two previously strongest political parties of the Guided Democracy period, the communist PKI and the nationalist PNI, were closed down by the military leadership. Proclaimed illegal, most of the PKI leadership and much of its membership and support base were slaughtered, and the independent leadership of the PNI imprisoned or removed from political influence.

## ***1.2 New Order political arrangement and processes***

To maintain the political stability deemed a necessary prerequisite for modernisation and development the new regime’s first priority was to institutionalise its socio-political authority.<sup>576</sup> Development through modernisation, Suharto pointed out, required “balancing the ideals of democracy and socio-political stability.”<sup>577</sup> The

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<sup>574</sup> Rocamora, (1973), p. 146.

<sup>575</sup> Rocamora, (1973), p. 146. See also Robert R. Jay, *Religion and Politics in Rural Central Java*, (Yale University Southeast Asia Studies, New Haven, 1963) and R. William Liddle, *Ethnicity, Party and National Integration: An Indonesian Case Study*, (Yale University Press, New Haven, 1970).

<sup>576</sup> Jacques Bertrand, ‘Growth and Democracy in Southeast Asia,’ *Comparative Politics*, Vol. 30, No. 3, April 1998, p. 362.

<sup>577</sup> Suharto, *Suharto: My Thoughts, Words, and Deeds*, (PT. Citra Lamtoro, Gung Persada, 1998), p.260.



corporatist/patrimonial modernisation strategy he chose severely restricted political expression and by channelling political participation through a controlled network of state-sponsored organisations, political parties were effectively sidelined.<sup>578</sup> The resulting regime is well described as a military-bureaucracy but Liddle also uses the term “bureaucratic-populist” to explain the “pyramid of power” that evolved as the New Order.<sup>579</sup> Comprising the institutions of Presidential domination, politically-active military, and a decision-making process centred about the bureaucracy dominating state/society and economic relations to achieve its socio-political agendas the New Order pyramid of power combined varying and balanced degrees of co-optation, responsiveness, co-operation and corruption with repression.<sup>580</sup> Karl Jackson prefers the term “bureaucratic polity” to describe the New Order’s domination that permeated all state institutions from the President’s palace down to village administrations through an array of bureaucratic “cliques, circles, and patron-client ties.”<sup>581</sup>

Four key players dominated the political arrangement of the Suharto New Order. At the top, and within a decade of the New Order’s creation unchallenged in authority, a strong President dispensed authority through a compliant political system while his loyal and highly organised power base, ABRI, extended executive authority from the top of the New Order ‘pyramid’ down to the village level. A robust, highly empowered, civil bureaucracy committed itself to policy implementation while a wealthy, privileged and substantially Sino-Indonesian business class remained prepared to allot part of its wealth to sustaining the political process in return for political protection and economic privilege, opportunity, and advantage. From its very inception, the New Order institutionalised and empowered the bureaucracy to control and direct the regime’s developmental agendas.<sup>582</sup> Aware that the bureaucracy’s effectiveness as an engine of economic and socio-political growth demanded a single, highly centralised, hierarchical structure of command the regime

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<sup>578</sup> Andrew MacIntyre, *Business and Government in Industrialising Asia*, (Allen and Unwin, St., Leonards, 1994), p. 251.

<sup>579</sup> R. William Liddle, *Leadership and Culture in Indonesian Politics*, (Allen and Unwin, Sydney, 1996), pp. 15-6.

<sup>580</sup> Liddle, (1996), pp. 15-37.

<sup>581</sup> Karl D. Jackson, ‘Bureaucratic Polity: A Theoretical Framework for the Analysis of Power and Communication in Indonesia’ and ‘The Political Implications of Structure and Culture in Indonesia’ in Karl D. Jackson and Lucien W. Pye, (Eds.), *Political Power and Communications in Indonesia*, (University of California Press, Berkeley, 1978), pp. 3-22 and pp. 23-42.

<sup>582</sup> Michael R. J. Vatikiotis, *Indonesian Politics Under Suharto; The Rise and the Fall of the New Order*, (Routledge, London, 1998), p. 30.

staffed it heavily with loyal military personnel. The bureaucracy effectively functioned as ABRI's additional arm and enabled regime power and influence to be extended deep into every facet of Indonesian society.<sup>583</sup>

Given the omnipresence of corruption in the Indonesia bureaucracy, the wealth of many senior military officers suggests that while the main purpose of placing military officers in non-military positions (*kekaryaan*) was strategic to impose discipline over decision-making processes the practice also enabled an extra-budgetary means of rewarding and ensuring personal loyalty.<sup>584</sup> Although paid regularly, salaries in the civil service were abysmally low but subsidised through additional benefits of a free rice allowance, free housing, transport to and from work, and medical care. Rigid conformity and total commitment to government policies was demanded in return. All civil servants were also required to be members of *Korpri*, the regime-controlled civil servant's organisation, and expected to vote for the official regime political party GOLKAR. In rigidly ordering the lives and performance of the bureaucracy the New Order was effectively exploiting the traditional "natural hierarchical tendencies" of its people as an extraordinarily convenient method of middle-class control and regimentation.<sup>585</sup>

Considering the enmity with which the mostly disadvantaged indigenous Indonesians viewed their Sino-Indonesian fellow citizens, the important contribution of the minority grouping to economic development ensured their careful political treatment by the New Order regime. Watched closely by military intelligence they dared not mobilise politically so business success and political protection demanded Sino-Indonesians find reliable business partners among indigenous army officers, state officials, influential members of the ruling elite, and in particular, the 'First Family' and their associates. Although alienated from formal politics, the Sino-Indonesian commercial class were able to develop impeccable links to the political elite through patronage networks. As they were expected to play a vital part in the New Order's development goals, long-term regime policy also favoured assimilating Sino-Indonesians into the national culture. The approach assumed that the indigenous

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<sup>583</sup> Donald K. Emmerson, 'Understanding the New Order: Bureaucratic Pluralism in Indonesia' in *Asian Survey*, Vol.XXIII, No. 11, Nov. 1983, p. 1222. In the Fourth Development Cabinet of 1983, for example, nine of twenty-one departmental ministers were military officers on secondment. Emmerson, (1983), p. 1240.

<sup>584</sup> Emmerson, (1983), p. 1225.

<sup>585</sup> Vadikiotis, (1998), p. 111.

business class would progressively expand alongside Sino-Indonesians with the indigenous business community growing much larger in absolute terms within a few decades, but a progressively widening socio-economic gap between the Sino-Indonesian minority and the indigenous majority was never adequately addressed resulting in the perceived rapacity of the Sino-Indonesian business community becoming an increasingly politicised issue.<sup>586</sup> When economic reforms did occur during the mid-1980s they clearly advantaged the Sino-Indonesian dominated private sector over the predominantly Muslim indigenous majority and equity and race entangled to dominate political debate. State sector privatisation was the key issue of economic reforms in the 1980s but generally advantaged the Sino-Indonesian conglomerates closely linked to regime cronies and Suharto family members. With the term 'privatisation' becoming political anathema during the late-1980s, the President visibly distanced himself from the Sino-Indonesian business community.<sup>587</sup> In so doing he not only reaffirmed the state's commitment to the *Pancasila*-ist socio-economic development underpinned by the socio-political approach implicit in Article 33 of the 1945 Constitution but also strengthened his regime's ideological legitimacy and in so doing gained valuable political support from the leaders of the majority Muslim *pribumi* community.

No parliament elected under the New Order ever proposed a draft law or amended national budget allocations but merely rubber-stamped the President's instructions. Ordinary citizens abided not by laws regulated by parliamentary legislation but edicts issued by the President, Directors General of Departments, Provincial Governors and District Heads. In practise, the executive branch and the bureaucracies exercised real legislative power and the executive itself regarded parliament and the bureaucracy as symbolic institutions duty bound to follow top down initiatives. Considering development (*pembangunan*) to be a technical rather than a political matter, the New Order based its rationale for legislative domination on the belief that processes required oversight by experts of the executive branch and bureaucracy rather than the unsophisticated politicians of the parliamentary system. Given the importance of development to regime legitimacy, bringing politicians into the decision-making process was considered inefficient and wasteful of the state's

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<sup>586</sup> Vatikiotis, (1998), p. 170.

<sup>587</sup> Vatikiotis, (1998), p. 50.

time and energy.<sup>588</sup> In a scenario that obliged all political parties to avoid antagonising the regime the DPR (*Dewan Perwakilan Rakyat*: Peoples Representative Council or Indonesian parliament) was totally funded by the executive and political parties were financially incapable of even holding their own national congresses without regime financial and logistic support.

Throughout the New Order the President appointed all Supreme Court Judges including the Chief Justice and his deputies. Considering the significant number of appeal cases heard by the Supreme Court concerning conflicts over land appropriated for development purposes, the situation tended to encourage venality and corruption. As the Supreme Court lacked the constitutional power of judicial review (the authority to decide whether government policies and actions conformed to the Constitution) a growing culture of corruption fed the rapid economic growth.<sup>589</sup> All Indonesian judges were members of the civil service and being under Supreme Court jurisdiction, appointed, promoted, paid, and supervised by the Department of Justice, their role challenged their impartiality in matters of law and professionalism.<sup>590</sup> Having little enthusiasm for an independent judicial system, most of the New Order ruling elite treated the law as merely another instrument of development.

The military preferred the New Order model of political representation because it functioned primarily to facilitate state management and simplified socio-political control. When societal demands grew louder during the 1970s the strategic political model of *Pancasila demokrasi* was extended, and a number of new organisations and functional groups incorporated into it.<sup>591</sup> By reforming and improving bureaucratic recruitment to create a disciplined and hierarchical civil service management with trusted military officers in key positions (*kekaryaan*), executive policy was able to be enforced with minimum public debate to the contrary. With the New Order the “bedrock of their existence” conservative elites remained prepared to commit themselves to regime renewal and continuity.<sup>592</sup>

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<sup>588</sup> Ramlam Surbact, ‘Formal political institutions,’ in R. W. Baker, M. H. Soestrato, J. Kristiadi, and D. E. Ramage, (Eds.), *Indonesia: The Challenge of Change*, (Institute of Southeast Asian Studies, Singapore, 1999), pp. 63-5.

<sup>589</sup> Surbact, (1999), p. 72.

<sup>590</sup> Surbact, (1999), p. 72.

<sup>591</sup> MacIntyre, (1994), p. 252

<sup>592</sup> Vatikiotis, (1998), p. 142.

President Suharto and his fellow New Order generals had initially shared two major concerns about their political future. They were convinced that a formal linkage between state and Islam would put national unity at risk, and that a competitive political-party system (certainly the form represented by Western-style parliamentary democracy) was inappropriate to Indonesia's societal diversity. By rejecting participatory politics in favour of total state political-control the New Order regime was able to achieve what they regarded as the inextricably linked objectives of political stability and economic growth.<sup>593</sup> With economic and socio-political development taking precedence over political freedom elections under the New Order became little more than symbolic affairs. Although claiming democratic legitimacy through *Pancasila demokrasi*, elections were justified more in terms of an elite rendering of traditional values than the participatory politics of the ballot box. In defending their position the regime insisted that its formulation of *Pancasila demokrasi*, as a uniquely appropriate form of political participation that blended modern reality with traditional culture, was the only way Indonesia could successfully develop.

## ***2. New Order political arrangement***

### ***2.1 Establishing and sustaining New Order political domination***

From its formation in 1948, ethnic-related tensions and conflict plagued governance of the Indonesian Republic. Taking power in 1967 amidst socio-political chaos, Suharto and his generals were aware that social conflict and disharmony represented the most likely source of challenge to the developmental agenda they had chosen to legitimise their authority. In pre-empting conflict, their method of choice was to employ social and political strategies that combined and balanced elements of coercion, persuasion, and co-optation. To manage the archipelago's potentially destabilizing social diversity the state was also obliged to preoccupy itself with establishing appropriate processes of social-political governance. Indonesia's demographic diversity (some 120 million people, comprising thirteen major, and hundreds of minor, ethnic groups) was also difficult to control from the centre. Elite fear that mass politics might encourage political affiliation around ethnic, regional or,

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<sup>593</sup> Dewi Fortuna Anwar, 'Indonesia: Domestic Priorities Define National Security, Muthia Alagappa, (Ed.), *Asian Security Practice: Material and Ideational Influences*, (Stanford University Press, Stanford, 1998) pp. 478-83.

in particular, religious affinities, conceived a ‘floating mass’<sup>594</sup> approach whereby grass-roots interests could be disconnected from political parties and processes to ensure that nothing distracted the nation from the prime goal of ordered development (*pembangunan*). While prepared to use a high degree of coercion to legitimise *Pancasila demokrasi* and counter, subvert, and dissipate social protest, the regime also placed considerable balancing emphasis on techniques of persuasion - both coercion and persuasion being traditional and valid instruments of state power in democratic systems.

## ***2.2 The instruments of socio-political arrangement; coercion balancing persuasion, co-optation, and consensus***

The New Order was little averse to using force against its people when deemed necessary to achieve goals and press agendas. ABRI were a highly capable, well-disciplined, loyal organisation, tightly arranged in a hierarchy of authority closely monitored and ordered by the President himself. While generally poorly prepared in terms of equipment and training to defend the nation from any form of external enemy, the military was nevertheless organised as an effective instrument of social arrangement. Following the abortive 1966 coup, in what has been described as “one of the bloodiest massacres in modern history”, ABRI was prepared to use considerable force and brutality against the Indonesian people.<sup>595</sup> Having liquidated the PKI, perceived by the New Order generals to be the threat from the extreme left, force was turned against militant Islam during the 1970s and 1980s, considered the threat of the extreme right and thereafter regarded as the only remaining potential challenge to the regime.

As well as using coercion when necessary, the New Order devised an arrangement of persuasive symbols and institutions to regulate societal behaviour and neutralise societal demands. The most prominent and intrusive example was ABRI’s self-justifying, *Pancasila*-derived, ‘dual-function’ doctrine *dwi fungsi*<sup>596</sup> that legitimised ABRI’s involvement in both civilian socio-political life and state security.

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<sup>594</sup> While not enunciated as an official doctrine the concept of the ‘floating mass’ advanced that there would be no political role for the people between arranged general elections every five years in which people could express their political preferences from approved choices. As the requirement that development transcend sectional interests underlay the New Order regime, reducing the people to such a ‘floating mass’ ensured that the energies of the people were focused on that prime goal.

<sup>595</sup> J. D. Legge, *Sukarno: A Political Biography*, (Allen and Unwin, Sydney, 1972), p. 399.

<sup>596</sup> Chapter 2, section 3.2.1, pp. 78-79.

Ill-disposed from the outset to leaving the business of politics to politicians, but not prepared to take the Latin American path of military dictatorship, the New Order generals chose a middle way (*jalen tengah*) between leaving the politicians to their own devices and taking direct control of the political system. As well as justifying the Armed Force's deep intrusion into Indonesian life, legitimising and institutionalising the military's *dwi fungsi* also enabled New Order influence to be spread through the *kekaryaan* policy that placed military personal in senior positions in non-military and private enterprise. *Dwi fungsi* also further facilitated regime influence and projection into all levels of Indonesian life by legitimising the allocation of 20% of parliament's seats to ABRI, granting retired officers leadership positions in Goliard and in the outlying and peripheral provinces, and giving some 40% of all senior government and administrative postings to retired and active military personal. Two further symbols of persuasion tightened the socio-political arrangement; the acronym SARA<sup>597</sup> (representing the Indonesian words for ethnicity, religion, race and other conflictual groups) identified the extremely sensitive issues that were under no circumstances to be publicly discussed or politicised, and the executive dictated 1978 program of *Pancasila* refresher courses (termed P4<sup>598</sup>) reaffirmed the importance of ideological unity and socio-political responsibility within the civil service.

To further ensure political stability and ethnic harmony the regime employed various techniques of "organisational co-optation."<sup>599</sup> The military-bureaucratic political party, GOLKAR, that General Ali Murtopo had established in 1964 to promote the Armed Forces' parliamentary interests in response to Sukarno's pronounced lean to the left, grew powerful under the New Order and extended the military and bureaucracy into the parliamentary process ideologically defined as *Pancasila demokrasi*.<sup>600</sup> The military-dominated New Order that took power following Sukarno's effective removal was not simply the product of a military coup but carried significant social support. By the mid-1960s the small Indonesian middle class were wary of social and political disorder and their willingness to support any authority capable of providing order offered the new regime a solid basis from which

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<sup>597</sup> SARA's ideological implications within the context of the New Order ideological bloc are discussed in detail below in Chapter 6, section 1.3.1, p. 251.

<sup>598</sup> P4's ideological implications within the context of the New Order ideological bloc are discussed in detail below in chapter 6, section 1.3.3, pp. 252-254.

<sup>599</sup> Liddle (1997) p. 302.

<sup>600</sup> Chapter 2, section 3.1, pp. 75-78.

to co-opt key organisations to their agendas.<sup>601</sup> The Armed Forces offered the middle class the only alternative to Sukarno's former left-leaning, egalitarian, tendencies. The events bloody of 1965/6 that drew together the coalition of forces that would form the New Order received strong support from both the Islamic community and the student movement, as well as what Aspinall describes as a growing "secular-orientated, urban, middle class".<sup>602</sup>

From the very beginning of the New Order the strong civilian coalition of forces that supported the military perceived Suharto's military-dominated regime as legitimate. But within a decade disillusion around the issues of democracy, socio-economic justice and wealth distribution had weakened the civilian-military coalition and civilian opposition to the regime grew thereafter. The regime had intended to limit political participation by organising the majority of society into a floating mass with the political aspirations of all legitimate interest groups channelled through corporatist functional groups. Coalescing society into an integrated organic whole, underpinned by *Pancasila* and bound by consensus rather than the divisional conflicts of the political past, could make no allowance whatsoever for any form of potentially oppositional political participation.

Opposition from politicised Islam, defined by the New Order as threat from the extreme right, was deemed intolerable and although Islamic organisations had supported the military in removing the PKI extreme left, Islam's disintegrative potential dispelled any likelihood of an easing in the tensions between those aspiring to a *politika-Islam* and the New Order generals. Potentially troublesome Muslim activists were removed, mainstream Muslim leaders generally agreed to disavow Islamic politics, and through state support and funding the regime generally co-opted the mass-based cultural and social organisations *Muhammadiyah* and *Nahdlatul Ulama* that represented the modernist and traditional streams of orthodox Islam respectively.<sup>603</sup> Many oppositional elements within the predominantly Islamic middle class shared the New Order's commitment to economic development and socio-political stability, and their fear of mass politics together with their revulsion towards the corruption that had underpinned their opposition to the old order remained.

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<sup>601</sup> Edward Aspinall, 'The broadening base of political opposition in Indonesia', in Gary Rodan, (Ed.), *Political Opposition in Industrialising Asia*, (Routledge, London, 1996), p. 215.

<sup>602</sup> Aspinall, (1996), p. 216.

<sup>603</sup> Aspinall, (1996), pp. 219-224.



Although not actually participating in the mechanisms of state power, and without challenging the nature of the regime itself, there was a general tendency among oppositional elements of the urban middle class and conservative Islam to gain access to its benefits. The behaviour of the former modernising intellectuals of the late Sukarno era exemplified this tendency. They had given their support and advice on political and economic reforms to Suharto and his generals immediately after the coup and were rewarded with co-optation and integration into the regime as technocrats, bureaucrats, and into the GOLKAR machine itself.<sup>604</sup> As the New Order established and consolidated itself with independent political expression increasingly repressed, little space remained for anyone to challenge the regime. Although the urban middle class grew rapidly during the first decade of the New Order they still represented a relatively small minority within a society largely comprised of impoverished urban and rural masses. Comfortably ensconced in state employment (and enjoying the growing culture of patronage) the middle class retained their conservatism, fearful that any loosening of socio-political control might release frustrations among the Muslim majority and jeopardise growing middle-class prosperity and the increasing opportunities for upward mobility.

In 1974 the New Order evoked an exclusive ideological vision of political order by extending *Pancasila* into the self-justifying political derivative *Pancasila demokrasi* that persuaded society to accept a completely restructured political and social arrangement that tightening the regime's hold over the political system. The systematic de-politicising (and re-ideologising) that re-aligned all political parties into distinct, controllable, groupings was the first significant New Order political initiative. Structurally formalising *Pancasila demokrasi* as the basis of the regime's political form required an electoral arrangement that would place GOLKAR, the regime's official political organ that included all civil servants, government employees, and the powerful parliamentary military faction, apart from the 'official' politically neutralised parliamentary opposition.<sup>605</sup> To ensure GOLKAR retained its commanding political position, and to further limit any possibility for mass-based political mobilisation, the 1974 electoral re-construction effectively co-opted the nine potentially confrontational political parties into the non-confrontational

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<sup>604</sup> On the modernizing intellectuals see Chapter 6, section 1.2.1, pp.244-246.

<sup>605</sup> Douglas Ramage, *Politics in Indonesia: Democracy, Islam and the Ideology of Tolerance* (Routledge, London, 1995) p. 29.

New Order political system that was *Pancasila demokrasi*. Formalised into a three-party system comprising GOLKAR, the non-governmental PDI (*Partai Demokrasi Indonesia* – Indonesian Democracy Party) and the PPP (*Partai Persatuan Pembangunan* – Development Unity Party),<sup>606</sup> secular-nationalist and Islamic interests were respectively coalesced and peripheralized. The move proved highly successful in ensuring that political opposition operated according to *Pancasila*'s tenets and GOLKAR won no less than 60% of the national vote in every election during the next three decades.<sup>607</sup> The party system was further streamlined in 1984 with the implementation of *azas tunggal*<sup>608</sup> that demanded all organisations acknowledge *Pancasila* as their sole ideological basis and PPP (the Muslim party) was further weakened when Wahid withdrew his traditionalist *Nahdlatul Ulama* (NU) organisation from the party. All other significant socio-political organisations including the modernist *Muhammadiyah* complied with *azas tunggal*.

As well as balancing coercion with persuasion and co-optation to maintain socio-political order, New Order management was also characterised by a tendency to take specific concessionary approaches to ameliorate particular ethnic issues. Regime legitimacy benefited substantially from subsidising and supporting politically non-threatening cultural/regional programmes such as Islamic cultural and religious events and a substantial mosque construction programme. The extensive lengths government rice policy took to maintain pricing levels and supply also appeased three important mass constituencies. Government officials received rice to subsidise their salary packages, and considerable care was taken to maintain realistic pricing levels for urban consumers. Government policy also targeted predominantly indigenous rural rice producers to ensure their profits remained above international levels and that price increases in fertilisers and insecticides were eased by subsidies.<sup>609</sup>

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<sup>606</sup> The PDI and the PPP were forced fusions of nine pre-New Order parties to enable the regime full control of the party system. The regime intended the PPP to represent the 'spiritual aspirations' of the Indonesian people, the PDI the 'material aspirations' and GOLKAR, the state party, the harmonious joining of the two. Liddle, (1997), p. 303.

<sup>607</sup> The New Order elections were highly mobilized affairs with the result that throughout the New Order voter turnout was consistently between 86% and 94% of eligible voters. Leo Suryadinata, *Elections and Politics in Indonesia*, (Institute of Southeast Asian Studies, Singapore, 2002), pp. 218-223.

<sup>608</sup> *Azas tunggal*'s ideological implications in terms of the New Order ideological bloc are explained in detail below Chapter 6, section 1.3.4, pp. 254-256.

<sup>609</sup> Liddle, (1996), p. 41. Hal Hill, 'The Economy' pp. 74-5, in Hal Hill, (Ed.), *Indonesia's New Order*, (Allen and Unwin, St. Leonards, 1994).

### ***3. New Order socio-political resources***

As discussed above, the New Order's socio-political arrangement is well described as a pyramid of power arranged from the top-most institution of the Presidency, down through a politically active military, a decision-making bureaucracy, and a controlling pattern of state/society and economic relations. Two powerful socio-political resources impacted upon the structures of the New Order's socio-political arrangement of Indonesian life; the unified ABRI and divided Indonesian Islam. On the one hand, ABRI represented the single most powerful instrument of socio-political control while, on the other, Islam represented both an enabling instrument of regime legitimacy as well as the most powerful source of potential challenge to New Order socio-political legitimacy. Reconciling these two powerful organic intellectual initiatives at the very heart of New Order power was primarily the function of ABRI doctrine as ideological discourse and its commitment to the imperatives of a *Pancasila*-ist state.

#### ***3.1 The Indonesian Armed Forces (ABRI) and New Order politics***

Underwriting the coercive aspects of some three decades of New Order domination required that ABRI not only remain the largest and most powerful socio-political organisation in the country but also that it remained united. Deeply embedded in the New Order political system and committed to prioritising political stability as a pre-requisite to national development and economic growth, ABRI's role "inextricably entwined" the institution in the nation's fate.<sup>610</sup> This section explains how ABRI sustained their organic influence over the New Order socio-political arrangement. ABRI's role as the regime's principle instrument of socio-political persuasion and control will be discussed and an explanation of ABRI's propensity to pervade Indonesian socio-political affairs through the post-independence years until the Suharto New Order's collapse in 1997 follows. Finally the relationship between ABRI and the bloc's organ of political process and expression, GOLKAR is discussed.

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<sup>610</sup> Mark G. Rolls, 'Continuity or Change in Indonesia: A Look Forward,' International Politics Research Papers, Number 14, (Department of International Politics, University of Wales, Aberystwyth, 1994), p. 3.

### 3.1.1 ABRI as the regime's principal coercive instrument of socio-political control

Suharto's earliest expression of authority was his purging of the Armed Forces' officer corps of 'leftists' and 'Sukarnoists' and devolving authority from field command to military headquarters in Java. Placing ABRI under his direct control as Commander-in-Chief effectively unified the institution into his personal instrument of power and control.<sup>611</sup> By removing native sons from command roles outside of Java he also minimised the likelihood of 'warlordism' and the possibility that independent pockets of authority might grow outside of the New Order power structure to challenge his new regime.<sup>612</sup> ABRI were consequently structured to exemplify the ethnic bias of Indonesian patrimonialism.<sup>613</sup> Ethnic Javanese constituted 66% of the military elite at the beginning of the New Order but by 1978 the figure had risen to 80% with 14 of the 15 Regional and Territorial Command positions held by *abangan/priyayi* Javanese.<sup>614</sup> Institutionally, Javanese values deeply influenced ABRI with recruitment and promotion into the military elite came to be dominated by officers hostile to orthodox and modernist Islam.<sup>615</sup> In terms of military factionalism, the most important were divisional identifications and ethnic background. In matters of factional rivalry Javanese officers generally prevailed over non-Javanese and if not diverted into powerless positions non-Javanese were simply passed over for promotion.<sup>616</sup>

Institutionalised as the power base of New Order socio-political control, ABRI's organic intellectuals claimed legitimacy through both *dwi fungsi*<sup>617</sup> doctrinally and the institution's sworn ideological dedication to protecting the state ideology *Pancasila*.<sup>618</sup> More than a political compromise between nationalist and

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<sup>611</sup> Atmadji Sumarkidjo, 'The Rise and Fall of the Generals: The Indonesian Military at the Cross-roads', in Grayson Lloyd and Shannon Smith, (Eds.), *Indonesia Today: Challenges of History*, (Institute of Southeast Asian Studies, Singapore, 2001), pp. 139. Salim Said, 'Suharto's Armed Forces: Building a Power Base in New Order Indonesia, 1966-1998,' *Asian Survey*, Vol. XXXVIII, No. 6, June, 1998, p. 536.

<sup>612</sup> John A. MacDougall, 'Patterns of Military Control in the Indonesian Higher Central Bureaucracy,' in *Indonesia*, Number 3, April, 1982, p. 99.

<sup>613</sup> David Brown, *The State and Ethnic Politics in Southeast Asia*, (Routledge, London, 1994), p. 128.

<sup>614</sup> A. Gregory, 'The Influence of Ethnicity in the Evolution of the Indonesian Military Elite', in D. C. Ellinwood and C. H. Enloe, (Eds.), *Ethnicity and the Military in Asia*, (Transaction Books, London, 1981), p. 267.

<sup>615</sup> Gregory, (1981), p. 269.

<sup>616</sup> Brown, (1994), p. 129. Harold Crouch, *The Army and Politics in Indonesia*, (Cornell University Press, Ithaca, 1978), p. 129.

<sup>617</sup> Outlined in detail in Chapter 2, section 3.2.1, pp. 78-79.

<sup>618</sup> Douglas E. Ramage, *Politics in Indonesia: Democracy, Islam, and the Ideology of Tolerance*, (Routledge, London, 1995), pp. 122-155.

religious groups, without which they believed Indonesia would disintegrate, *Pancasila* defined for ABRI the very essence of national unity as a total way of life through which unity and stability could be forged.<sup>619</sup> Essentially a mechanism of socio-political control and order the doctrine of *dwi fungsi* was enshrined in the sacred soldier's oath *Sapta Marga* and reinforced by the military's high degree of internal solidarity and loyalty.<sup>620</sup> Significantly, the doctrine enabled ABRI to intrude with impunity into socio-political matters far beyond a military's traditional role of ensuring national security and defence against external threat.<sup>621</sup> *Dwi fungsi*'s justification for intensive intervention into all socio-political life took two specific forms. While the doctrine legitimised military domination of the governmental structure through state assemblies and government ministries down to governing and district levels, it also enabled extensive military influence over the rural development projects upon which regime legitimacy among the general population came increasingly to rely.<sup>622</sup>

As employed by Suharto's New Order, *dwi fungsi*'s amended 1966 form comprised four elements. It defined and institutionalised ABRI as both a defence and a social force. In ratifying its legitimacy and committing ABRI to the goal of socio-political and economic development, the doctrine became long-term rather than a temporary expedient for the duration of what was at the time a major crisis. By stressing that the doctrine had been forced upon them, the Armed Forces were able to insist that civilians acknowledged their inability to manage national development (*pembangunan*) without military help.<sup>623</sup> To counter inevitable social criticism, *dwi fungsi* was thus legalised and institutionalised in a form that emphasised its civil

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<sup>619</sup> Ramage, (1995), p. 126.

<sup>620</sup> Noco Schulte Nordholt, 'The Janus Face of the Indonesian Armed Forces', in Kees Koonings and Dirk Kruijt, (Eds.), *Political Armies: The Military and Nation Building in the Age of Democracy*, (Zed Books, London, 2002), p. 136.

<sup>621</sup> William R. Liddle, *Politics and Culture in Indonesia*, (Centre for Political Studies, Institute for Social Research, Ann Arbor, University of Michigan, 1988), p. 20. Honna, (2003), pp. 3-4. Ramage, (1995), p. 123. Leith, (2003), pp. 220-225.

<sup>622</sup> Rolls, (1994), pp. 4-5. MacDougall, (1982), p. 100. The military's highly effective intrusion into everyday life was heightened by its unique 'territorial structure' that provided local garrison commanders considerable independent authority to temper government bureaucratic influence through provincial Golkar networks. Watson in Shore and Nugent, (2002), p. 117.

<sup>623</sup> Jun Honna, *Military Politics and Democratisation in Indonesia*, (Routledge Curzon, London, 2003), p. 55. The new doctrine (*Doktrin Perjuangan TNI-AD 'Tri Ubaya Cakti, August 31, 1966*) as a mechanism of socio-political control offered four sub-doctrines; National Land Defence; the defence of *Pancasila* in the ideological, religious, cultural, political, social, economic and military fields; *karyawan* (the placement of military personnel in civilian posts to benefit national economic development); and social activity and influence under the authority of Kodams (Military Area Commands). Honna, (2003), p. 56.

responsibilities. To further embed its doctrinal implications throughout the developmental state, within a decade some 20,000 military officers were diverted to influential civilian positions.<sup>624</sup> To oversee *Pancasila* and national development, *dwi fungsi* therefore provided ABRI with a supervisory role over all fields of social activity as well as the means to resist any social pressure for political change. In the view of the New Order generals, *dwi fungsi* totally justified the subordination of civilians to the military.<sup>625</sup>

Having confirmed ABRI's socio-political status, the government's Centre for Strategic and International Studies officially defined *dwi fungsi*'s dual-function in a 1973 text *The Acceleration and Modernization of 25 Years Development*.<sup>626</sup> "Born from the people" and in "shoulder to shoulder struggle with the people" for the purpose of national defence and security, ABRI would not only be a professional army, but also society's most powerful "social force" and the New Order's most potent socio-political resource.<sup>627</sup> To clarify the doctrine's boundaries, and ensure they were fully understood, a 1982 'guide book' incorporated all military doctrinal papers from the beginning of the New Order and the doctrine's legal status became secure under Presidential decree No. 20/1982.<sup>628</sup> As *Pancasila*'s guardian and defender from all kinds of deviation, *dwi fungsi*'s dual functions carried not only historical considerations but firm constitutional and legal grounds.<sup>629</sup> Socio-political legitimisation came from Article 30, paragraph 1, of the 1945 Constitution that insisted on all citizens having the "right and the duty" to participate in the defence of the state. Moral justification for economic and socio-political responsibility came from the active role the military had played during liberation and independence.<sup>630</sup> Thus, from the outset of the New Order, the generals not only dominated the upper levels of the regime, Cabinet, and senior civil service, but morally and intellectually legitimised their control of decision-making.

ABRI's ideological integrity is thus underpinned by a unique culture that is well described in terms of a dual-levelled ideological structure that views military

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<sup>624</sup> Honna, (2003), p. 58.

<sup>625</sup> Liddle, (1996), p. 7.

<sup>626</sup> Reproduced in English in Bouchier and Hadiz, (2003), pp. 35-6.

<sup>627</sup> Bouchier and Hadiz, (2003), p. 35.

<sup>628</sup> *Buku Petunjuk Angkatan Bersenjata Republik Indonesia Tentang Dwifungsi ABRI* (No. SKEP/614/VI/1982 Tanggal June 1, 1982), Dephankam, 1982.

<sup>629</sup> Bouchier and Hadiz, (2003), p. 35.

<sup>630</sup> Reproduced in Bouchier and Hadiz, (2003), p. 36.

doctrine as an ‘ideology’ within *Pancasila*. On the one hand, doctrinal legitimacy derives from adherence to the sacred soldiers’ oath *Sapta Marga*, with operational doctrine, as an essential and necessary indicant of strategic direction, defined by *dwi fungsi*’s broad enabling parameters. On the other hand, ABRI’s constitutional responsibilities tied the institution to protecting the state ideology *Pancasila* on behalf of the people. As a *Pancasila* derivative, *dwi fungsi* linked doctrine directly to the state ideology and in effect doctrine and ideology became a mutually inclusive duality. *Dwi fungsi* offered the doctrinal means to sustain ideological cohesion, while *Pancasila* provided the ideological substance that underwrote the institution’s legitimacy as the regime’s prime asset in sustaining primarily the coercive and, to a lesser degree, the consensual aspects of legitimate moral and intellectual leadership. Sustaining ABRI’s internal cohesion at both ideological levels was vital to both the institution’s ongoing role as the *coercive* arm of regime hegemony and its *consensual* role in terms of *Pancasila*’s national-popular imperatives. During the early decades of the New Order, officer corps and thus doctrinal/ideological homogeneity was tightened by Suharto’s purges of the institution and, to a large extent, by the shared experiences of a generation of soldier that had fought together against the Dutch, Islamic and regional separatists during the 1950s and 1960s and, following the failed 1966 coup, the leftist forces supporting the PKI. But doctrine and ideology were to come under increasing scrutiny during the 1980s and 1990s from both within ABRI as a result of officer corps generational change as well as a desire for more professionalism, together with a broadening socio-political questioning that also divided the military as to *Pancasila*’s true role within what had become a dynamic and changing Indonesia society.<sup>631</sup>

The higher echelon civilian or military office-holder in the civil service is referred to as *kekaryaan*.<sup>632</sup> Although initially disparaged by other military officers, by the early 1980s some half of the positions at this highly influential level of power were held by service personal and as the importance of political influence became more apparent, *kekaryaan* assignments came to carry great prestige. Together with their civilian *kekaryaan* counterparts senior level military *kekaryaan* also carried

<sup>631</sup> The evolving doctrinal/ideological dichotomy is traced further below in Chapter 6, section 2, pp. 256-258 and section 2.1, pp. 258-262 and Chapter 7, section 2.1, pp. 295-298.

<sup>632</sup> The term *kekaryaan*, while generally describing either civilian or military high level government officials, to the military means a ‘worker’ of ‘functionary’ appointed to a senior civilian position. Mac Dougall, (1982), pp. 89-92.

considerable decision-making authority in key socio-political and economic roles. As they generally owed their positions to palace patronage, civilians at this level of the bureaucracy and civil service were no less active supporters of New Order agendas than their military counterparts. By the 1980s the military *karyawan* at the upper political levels of the regime were remnants of the 1945 generation of officers that had not seen combat since the revolutionary era and although still immensely loyal to Suharto most were off the active duty list and held their appointments in retirement. Significantly, this older generation was coming under pressure from younger officers growing increasingly envious of the high level of prestige and opportunity offered by the choice *karyawan* assignments and looking forward to succeeding their elders. By the 1980s the situation had highlighted a growing organic intellectual cleavage within the extremely hierarchical structure extending below the President where senior military *karyawan* occupied half of the top 141 positions of New Order power. Seven of the President's eight senior aides, two of his three Co-ordinating Ministers, eight of seventeen Cabinet Ministers, two of six Junior Ministers, sixteen of eighteen Secretary-Generals, eleven of seventeen Inspector-Generals, and twenty-five of seventy-one Director-Generals were military officers.<sup>633</sup>

### 3.1.2 ABRI as political actors

Crouch insists that ABRI were politically oriented from the outset because their leaders had identified early in the independence struggle that the socio-political nature of their cause required a permanent willingness to lead all necessary socio-political initiatives.<sup>634</sup> The early involvement of senior (and medium level) military commanders in national politics stemmed from the revolutionary roots of their struggle and units having to operate independently unwilling to subordinate themselves to civilian controls. Officers that rose to prominence during the revolutionary struggle regarded their units as personal instruments of power and came to favour the idea of a politicised military under their direct control.<sup>635</sup> The perceived failings of civilian government during the post-independence Sukarno era strengthened the belief that the officer corps needed to sustain their political orientation and convinced many that they commanded the only political force capable

<sup>633</sup> MacDougall, (1982), pp. 96-7.

<sup>634</sup> Harold Crouch, 'Indonesia' in Zakaria Haji Ahmad and Harold Crouch (Eds.), *Military-Civil Relations in Southeast Asia*, (Oxford University Press, Singapore, 1985), pp. 49-50.

<sup>635</sup> Justus Maria van der Kroef, *Indonesia in the Modern World*, (Masa Baru, Bandung, 1956), p. 235.



of ensuring the social order and unity necessary for economic and socio-political development.<sup>636</sup> Assured that their intervention into politics and economic development was legitimate the military therefore felt justified in acquiring corporate interests to strengthen their position.<sup>637</sup> As well as enjoying the status their dual-function role offered, junior officers came to rely on the economic opportunities *dwi fungsi* offered to subsidise generally poor salaries.

Three particular events of the Sukarno era strengthened the military's ability to make their long-term total commitment to socio-political control. Nationalising Dutch companies in 1957 gave the military access to substantial extra-budgetary funding and, as well as placing lucrative assets under their control, the secondment of senior officers into influential economic and business positions enabled them to acquire new and valuable skills. As well as strengthening executive power, President Sukarno's 1959 reinstatement of the 1945 Constitution also enabled him to place senior military officers into key political ministries in his 1959 cabinet.<sup>638</sup> Thus, by 1960, ABRI had successfully embedded themselves into all of the state's most influential economic and political positions. With all senior promotions dependant upon the President, together with the commensurate requirement that military candidates for high office maintain associations with influential individuals and groups outside ABRI, the military had effectively entrenched itself in politics.<sup>639</sup>

In his enquiry into Indonesian civil-military relations Sandhaussen observes that as well as opportunity an army generally requires the inclination to enter politics but before a military makes a move into politics it is necessary that opportunity and inclination be "in confluence".<sup>640</sup> ABRI actively involved itself in post-independence politics because they were inclined to protect their corporate interests but there were also occasions when they believed that civil-government

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<sup>636</sup> Salim Said, 'Suharto's Armed Forces: Building a Power Base in New Order Indonesia, 1966-1998' *Asian Survey*, Vol. xxxviii, No. 6, June, 1998, pp. 550-2. Harold J. Maynard, 'The Role of the Indonesian Armed Forces,' in Edward A. Olsen and Stephen Jurika Jr., (Eds.), *The Armed Forces in Contemporary Asian Societies*, (Westview Press, Boulder, 1986), p. 212. Peter Polomka, *Indonesia Since Sukarno*, (Penguin, Middlesex, 1971), pp. 79-84.

<sup>637</sup> van der Kroef, (1956), pp. 235-6. Ulf Sundhaussen, *The Road to Power: Indonesian Military Politics*, (Oxford University Press, Singapore, 1982), pp. 255-73.

<sup>638</sup> Sumarkidjo, (2001), pp. 136-145.

<sup>639</sup> Sumarkidjo, (2001), p. 144. Said, (1998), pp. 536-40.

<sup>640</sup> Sundhaussen, (1982), pp. 255-73 and p. 256.

weaknesses permitted the opportunity to do so.<sup>641</sup> Initially their involvement in politics was to protect vital domestic and corporate interests but as their interests broadened to include areas of revenue allocation and personal remuneration they also felt that, as an institution, the military needed to be able to execute its functions without “interference from other forces and institutions, and, in particular, civilians.”<sup>642</sup> Although they had always been poorly paid and supplied, the Indonesian army did not intervene in politics simply to rectify these interests alone. They made moves when inclination and opportunity converged during the 1945-8 struggle for independence, when martial law was declared following democratic and civil breakdown in the late 1950s and in defensive response to what they portrayed as a coup attempt by leftist forces in 1965/6.<sup>643</sup> Each incursion into politics was not simply to protect general interests but largely a response to ABRI command perceptions that civil and political institutions were breaking down.

ABRI’s self-justifying rationale, reflected in their *dwi fungsi* doctrine that they were the only force capable of holding the Indonesian republic together, conceived an integrated state in which prime interests would be defined by social obligations rather than liberal-democratic ideals. Military doctrine thus saw individual rights as inimical to *Pancasila* and as such inappropriate to the New Order’s hegemonic agendas.<sup>644</sup> As a strategic doctrine, *dwi fungsi* enabled the New Order regime to appropriate the strategic political resources of both a highly pervasive territorial military command system and the power to appoint military officers to all levels of the civilian bureaucracy (*karyawan*). It also permitted the appointment of military officers to the political institutions of the DPR, MPR, and provincial and district parliaments, as well as leadership positions in the official state political party GOLKAR.<sup>645</sup> To fight the first New Order elections in 1971 ABRI treated GOLKAR

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<sup>641</sup> Lee, (2000), p. 693.

<sup>642</sup> Lee, (2000), p. 696.

<sup>643</sup> The independence fighters saw the central government’s indecision over creating a national army to fight for independence as gross negligence and took the initiative. Their re-entry into politics in 1957 followed what the army viewed as unwanted, illegitimate, intrusions from civilian politicians. In response to the 1965/6 coup attempt ABRI’s moves were defensive, protecting their monopoly on internal security as well as their own ideological cohesion from the challenge of Sukarno’s NASAKOM-isation [ Sukarno’s fusion of what he saw as the three major socio-political forces in Indonesian society: *Nasionalisme* (nationalism), *Agama* (religion), and *Komunis* (Communism) ] of the military. Lee (1982), p. 699.

<sup>644</sup> Ramage, (1995), p. 126.

<sup>645</sup> The territorial structure system developed when the Armed Forces faced communist revolt and regional insurrection, and placed military personnel, active duty and retired, in every township down to the smallest hamlet. The Indonesian Armed Forces were divided into both combat forces to deal with

as their own civilian political federation and by mobilising the party against potential organised civilian opposition the regime effectively undermined the election. The opposition's subsequent crushing electoral defeat effectively represented the demise of the last "remnants of civilian [political] strength."<sup>646</sup> Having effectively removed independent political parties from electoral politics the last rallying point for civilian opposition to the regime was neutralised and the banning of political activities at the village level effectively reduced the civilian population to the status of a floating mass. With the party system emasculated and those on the peripheries of power deprived of any institutionalised means of political expression to advance their aspirations, the military was freed to underwrite regime interests untroubled by their effect on the general citizenry.

### **3.1.3 ABRI and the bloc's instrument of political expression: GOLKAR**

The official regime political party GOLKAR provided the Armed Forces with its "concrete grass-roots stake" in the New Order political arrangement.<sup>647</sup> Formed in October 1964 as a civilian counter-force to Sukarno's swing to the left, GOLKAR placed the military at the heart of institutionalised politics.<sup>648</sup> GOLKAR consisted of 61 organisations - or functional groups - and expanded during the New Order to include 201 representative organisations. Originally intended to mobilise all non-communist organisations permitted representation by President Sukarno in the national and regional assemblies, upon taking power in 1966 Suharto and the military refocused GOLKAR as an efficient political machine that totally dominated the New Order political process.<sup>649</sup> Deciding, on the advice of his chief political aide Ali

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major threat, and, the majority, territorial units, based throughout the archipelago in every small town paralleling the civil government. Theoretically this territorial structure would allow the Armed Forces to mobilize the people as they were against the Dutch but the contemporary benefit to the Armed Forces leadership is that the territorial structure provides an ideal means of ensuring political control down to every level of society. Crouch, (1999), pp. 145-6. The Armed Forces territorial structure also gives local garrison commanders considerable independent authority to temper the influence of the government-bureaucracy influence over GOLKAR provincial networks. Watson, (2002), p. 117.

<sup>646</sup> Crouch, (1978), p. 348.

<sup>647</sup> Vatikiotis (1998), p. 68.

<sup>648</sup> Vatikiotis (1998), pp. 78-9.

<sup>649</sup> R. William Liddle, 'Regime: The New Order,' in Donald Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economics, Society, Transition*, (M. E. Sharpe, London, 1999), p. 45. Leo Suryadinata and Sharon Siddique, (Eds.), *Institute of Southeast Asian Studies, Trends in Indonesia 11*, (Singapore University Press, Singapore, 1981), pp. 18-9.

Murtapo, to hold parliamentary elections during the late-1960s, Suharto formally converted GOLKAR into his New Order's official political party.<sup>650</sup>

Sceptical about political parties from the outset the military determined that the political system not be permitted to challenge their domination and this was obvious from their mobilisation of GOLKAR for the 1971 elections. The mass socio-political movements of the last years of the Sukarno era had convinced Suharto and his generals that sectoral interests needed to be controlled so GOLKAR's corporatist style provided an ideal method to successfully channel political participation away from less controllable political parties towards state-controlled, functionally-differentiated, representative bodies.<sup>651</sup> By unfastening the link between political parties and sectoral interests the strategy created a network that steered all socio-political aspirations upward to the leadership elites.<sup>652</sup> The result countered the divisiveness associated with the liberal-democratic competitive pluralist party system favoured in the West regarded by the regime as incompatible with Indonesian socio-political culture.

While socio-political priority was directed at strategic sectors the regime's corporatist strategy was not limited to mass social organisations but extended to cover all societal groupings. In terms of hegemonic rearrangement the most profound corporatist adjustment was the 1973 rationalisation of the political-party system by which the nine political parties competing with GOLKAR were separated from society and fused into two new composite parties: the PPP that amalgamated the former Muslim parties, and the PDI that combined the former nationalist and Christian parties. Carefully vetted and compliant, and subject to ABRI's manipulation and co-optation, the leaderships of the two composite parties simmered with internal tensions. The rationalisation of the political party system, coupled with society's depoliticisation through the floating mass approach to political expression, effectively denied the general population all but state-approved political involvement. Only GOLKAR was permitted to operate at the village level and the only direct influence the people had upon the political process was through GOLKAR, its array of functional representative organisations, and the two narrowly defined and

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<sup>650</sup> Liddle, (1999), p. 45. Harold Crouch, *The Army and Politics in Indonesia*, (Cornell University Press, Ithaca, 1978), pp. 265-6.

<sup>651</sup> Andrew MacIntyre, *Business and Politics in Indonesia*, (Allen and Unwin, Sydney, 1990), p. 23.

<sup>652</sup> On New Order 'corporatism' see Macintyre, (1990), pp. 24-28.

compliant alternative parties. Direct political control was extended into the state apparatus itself with all government employees (including the military) required to become members of the Civil Service Corps (KORPRI) the functional organisation responsible for representing their interests. Expected to support GOLKAR at elections, all civil servants became members of the so-called 'GOLKAR family' trilogy (*Keluarga Besar GOLKAR*) alongside the ABRI and KORPRI.<sup>653</sup>

Effectively dominated by the military and the bureaucracy, GOLKAR was imbued with the ideological rationale of *Pancasila demokrasi* and by de-emphasising the class aspect of Indonesian society intended to represent the interests of the entire Indonesian population.<sup>654</sup> But rather than promote its members' interests, GOLKAR's corporatist network served largely to restrict and control societal demands and the leaderships of its component organisations were given little leeway other than to promote their own narrow personal interests. Nevertheless, the New Order corporatist strategy achieved its prime purpose of minimising the capacity for mass groups to make demands upon the state and influence politics and, pushed to the peripheries of power, corporatist representative organisations were unable to threaten stability and conformity. In a process repeated at all subsequent elections, highly organised mass social mobilisation enabled GOLKAR to gain 62% of the national vote in the first New Order election in 1971. Having performed their intended function, active-duty military personnel were subsequently moved to the background and replaced at the forefront by reliable retired military personnel. It was not until 1993 when, in reaction to a perceived cooling of his relationship with elements of ABRI senior leadership and his realisation that it would be to his political advantage to re-arrange the bloc's hegemonic alliance structure to include Islam, President Suharto broke the tradition of active or retired military officers at the head of GOLKAR and appointed a loyal Muslim civilian associate to lead the party.

### ***3.2 Politika-Islam and New Order politics***

During the closing decade of the twentieth century democratic ideas spreading among disparate peoples and cultures had a powerful impact upon geo-politics but the accompanying global upsurge of ethnic and religious identity looked unlikely to prove

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<sup>653</sup> Macintyre, (1990), p. 27.

<sup>654</sup> Suryadinata and Siddique, (1981), p. 19.

compatible with democracy.<sup>655</sup> Democratic principles are often incompatible with culture and belief so it is mistaken to simply assume that all societies will embrace democratic institutions hence the complex, and highly debated, relationship that has been witnessed globally between Islam and democracy during the last two decades.<sup>656</sup> Islam is not ideologically monolithic and arguments vary between dismissing any familiarity between the two and the idea that Islam requires a democratic system if it is to be relevant to the contemporary world. A middle road argues that Islam can actually enhance democracy even when the incumbent political system is not specifically Islamic, but there is also the possibility that Islamic political parties might be tempted to embrace democracy temporarily simply to gain sufficient political power to impose an Islamic theocracy.

Many Islamists believe democracy to be a foreign concept that Westerners and secular reformers push upon Muslim societies, but there are Islamic intellectuals who believe that Islam and democracy are compatible and can make a necessary pairing in the modern world. This latter view is propounded by Abdurrahman Wahid as leader of Indonesia's traditionalist Muslim *Nahdhatul Ulama* in arguing that Islam is the necessary base upon which a more democratic and liberal Indonesian society must be built. Wahid, like many Muslims, sees little difficulty with a political system that allows people to freely choose their representatives and leaders, in which power can be alternated peacefully, and one in which freedom and human rights are legally assured.<sup>657</sup> Moreover, the principle of *shura* itself implies that an Islamic community has an obligation to engage in mutual consultation in the

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<sup>655</sup> Robert W. Hefner, *Civil Islam: Muslims and Democratization in Indonesia*, (Princeton University Press, Princeton, 2000), p. 3.

<sup>656</sup> The most obvious relationship between Islam and democracy is the *Qur'anic* reference to the righteous as those who, among other things, manage their affairs through 'mutual consultation' or *shura* (42:38 Qur'an). This has been expanded through tradition and action to mean that it is obligatory for Muslims in managing their political affairs to engage in mutual consultation. Another basic concept in the relationship between Islam and democracy is the term *caliph* which has been redefined in contemporary usage: society is now understood as carrying the responsibility of the caliphate as a whole with each individual sharing this responsibility. This becomes a starting point for democracy in Islam and suggests that every individual in Islamic society enjoys the rights and powers of the caliphate of God and therefore every individual is equal

<sup>657</sup> Mohamed Abdel Haleem, 'Human rights in Islam and the United Nation's instruments,' in Eugene Cotran and Abdel Omar Sherif, (Eds.), *Democracy: the rule of law and Islam*, (Kluwer Law International, London, 1999), p. 452, makes the points that the principle of *shura* (consultation) can take the shape of the party system and 'democratic election with constitutional balance' and has been opted for by some Muslim countries, without the suggestion that they have compromised any of the teachings of the Prophet, and likewise, 'the absolute fidelity to justice in Islam' can assume modern judicial procedures, as Muslim countries have done, 'seeing in this only a means of realizing Islamic objectives.'

management of worldly affairs. While devout Muslims regard Islam as a total social, political, legal, and cultural system able to embrace democracy, unlike Christianity, Islam does not encourage separating religion from politics.<sup>658</sup> Secularists, on the other hand, stand accused of wishing religion to be invisible and not interfere in life but the idea that religion belongs only to the private sphere makes little sense to the vast bulk of believers of most world religions. Generally, the notion that religions, or beliefs, should remain separate from political interference comes from democracy's respect for human rights with one of those rights being that each citizen count equally with all other citizens.<sup>659</sup>

From Indonesian independence these matters frustrated the advocates of an Islamic state. Sukarno's appeals that Muslims and secular nationalists devise a formula to balance their interests resulted in the compromise of the Jakarta Charter which, while guaranteeing religious freedom, insisted that the state remain non-confessional. Secular-nationalists balked at the condition that the Charter obliges the state to work towards implementing Islamic law, albeit only "within the Muslim community" and in the interest of harmony the Charter was quietly dropped from the declaration of independence and the preamble to the Indonesian Constitution.<sup>660</sup> Controversy continued for a decade and, believing they deserved a more formalised political role, Muslim leaders hoped that the 1955 election would give their cause clear societal support. This did not happen and, unable to gain a decisive majority in the elections, the two Muslim parties representing modernist and traditionalist Islam respectively shared the vote with the Indonesian Nationalist Party (PNI) and the Indonesian Communist Party (PKI). As neither combinations of Muslim or secular-nationalist interests were strong enough to impose their view on the future political

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<sup>658</sup> Adeed Dawisha, 'Islam in Foreign Policy: Some Methodological Issues,' in Adeed Dawisha, (Ed.), *Islam and Foreign Policy*, (University of Cambridge, Cambridge, 1983), pp. 1-8. Furthermore, Pratt argues that when Muhammad was accepted as a prophet in 622 AD, '[t]here was forged the conditions for the founding of the Islamic theocracy – a society where all is under religious direction, where politics and religion are fully merged.' Douglas Pratt, *A First Encounter*, (Longman Paul, Auckland, 1993), pp. 117-8.

<sup>659</sup> When, in 1999, Abdurrahman Wahid, the highly popular Islamic intellectual and leader of NU, possibly the largest Muslim organization in the world, became President of Indonesia in free elections, he had not campaigned on a platform of Islamitising the political system. In political matters he had consistently presented a secular-nationalist line and when he was replaced as President less than two years later transition occurred in an orderly manner with little serious public animosity between his supporters and opponents. That such a peaceful transition of power was able to occur in Indonesia indicates the secular nature of the *demokrasi* process that developed during the 1990s.

<sup>660</sup> Robert W. Hefner, 'Religion: Evolving Pluralism,' in Donald K. Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), p. 222.

relationship between religion and the state, President Sukarno closed the debate in 1959 by dissolving the popular assembly, returned the country to the original 1945 Constitution, and assumed virtually dictatorial power through his imposition of Guided Democracy.<sup>661</sup>

From the outset of independence those demanding an Islamic Indonesian state were effectively marginalized by Article 29 of the 1945 Constitution that while insisting on a secular state, thereby legitimising religions other than Islam, by way of a concession to Islam called for one based foremost on “belief in One, Supreme God.”<sup>662</sup> There is no *Qur'an*-ic injunction for an Islamic state (and those Muslim leaders who suggest there is confuse a man-made imperative with a divine one) so Article 29 does not contradict Islamic doctrine. Nevertheless, Muslim clerics and intellectuals found a basis in the vague wording of the Article leaving open the possibility of some future Islamic state, for future divisions in Muslim social and political development. As the New Order’s representation of the 1945 Constitution effectively de-politicised Islam, the success of Islamic parties in the 1955 election (when they gained some 40% of the vote in what was considered to have been the fairest and most democratic election ever held in Indonesia) was never fully restored. Consequently, at no stage since independence has Muslim political influence been able to match the high proportion of Muslims in the Indonesian population.<sup>663</sup> The relationship between *politika-Islam* and the Indonesian state therefore continued to be as persistent a point of debate among Muslims during the New Order as it was under the earlier Sukarno regime.<sup>664</sup>

Alongside earlier demands for separatism and later for liberal-democratic reforms, *politika-Islam* offered the most potent potential challenge to the Suharto New Order. This section will examine Islam in terms of its non-monolithic nature and the implicit difficulties Islam faced in forming a coherent socio-political opposition to the New Order. Riven by profound cleavages, Indonesian Islam strongly precludes the likelihood of a unified socio-political entity emerging based on either sectarian *or* secular-nationalist principles. This section first describes the

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<sup>661</sup> Hefner, (1999), p. 222.

<sup>662</sup> Vatikiotis, (1998), p. 120.

<sup>663</sup> Hefner, (1999), p.221. Allan A. Samson ‘Religious Belief and Political Action in Indonesian Islamic Modernism,’ pp. 116-142, in R. William Liddle, (Ed.), *Political Participation in Modern Indonesia*, (Yale University Southeast Asia Studies, New Haven, 1973).

<sup>664</sup> Kenneth M. George, ‘Designs on Indonesia’s Muslim Communities,’ in *The Journal of Asian Studies*, Vol.57, No.3, August 1998, p. 697.



historic failure of formulating a coherent, unified *politika-Islam* opposition prior to Suharto and its continued peripheralization thereafter. Islam's changing role in terms of Presidential reassessment that an accommodative Islam should be given more socio-political influence in line with Islam's cultural and socio-political resurgence from the late 1980 will then be discussed. Suharto's most controversial Islamic initiative ICMI formed in 1991 is then discussed, as is the debate surrounding the *politika-Islam*/secular-nationalist dilemma in the context of intra-regime rivalry and mass demands for *reformasi dan demokrasi*.

### 3.2.1 *The cleavages within Indonesian Islam*

Wide-ranging intellectual chasms have divided and challenged Indonesian Islam since independence. As well as the *abangan/santri* split separating the less devout animist-Hindu-Buddhist-Muslim (predominantly Javanese) syncretists from the pious (mostly non-Javanese) Muslim community, the majority *santri* community has also been divided since the early 20<sup>th</sup> Century between Islamic modernism and traditionalism. Islamic 'modernism' is generally associated with the late 19<sup>th</sup> Century academics of the University of Al-Azhar in Cairo.<sup>665</sup> The most influential mass grouping of Indonesian modernism, the *Muhammadiyah* (Followers of Muhammad), focuses on an organisational Islamic approach to education, health, and care, rather than formal politics and, by the 1990s, the organisation numbered some thirty million followers. Unlike Islamic traditionalists *Muhammadiyah* scorned charismatic religious leadership and favoured modern, rule-based, organisational structures.<sup>666</sup>

Representing the interests of traditionalist Islam is *Nahdlatul Ulama* (NU, The Awakening of Traditional Religious Leaders and Scholars), an association of traditional Muslim scholars formed in 1926 and by the last decade of the 20<sup>th</sup> century claiming some 40 million supporters. NU is less ideological than its modernist rival *Muhammadiyah*, and its guidance and direction centres on the activities of rural-based religious scholars (*ulama*) and their individual support bases and followings. Disavowing their modernist rival's more abstract principles, the *ulama*'s job is to protect his community and way of life by accommodation through processes that place ideological purity second to the need to balance multiple societal

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<sup>665</sup> Samson, (1973), p. 116.

<sup>666</sup> Hefner, (2000), p. 40.

interests. Significantly, while defending that ‘traditionalism’ has never meant incompatibility with - or a negation of - modernity and development, NU’s leaders generally accept that independent Indonesia should *not* be an Islamic state.<sup>667</sup> To the *kiai* (leaders) and the *ulama*, Islam is a private matter intended to be no more than a guide to an individual’s social interaction and behaviour.<sup>668</sup> On the other hand, although in general terms, modernism stressed the core beliefs of Islam. While the modernists viewed scripture as complete and self-sufficient, requiring that the individual assume responsibility for his or her own moral conduct by purging all improper innovations from Islam’s traditions, modernists also wanted to be both religious as well as modern in the Western sense of the term.<sup>669</sup> As Samson put it, modernists wanted to maintain “a foot in both the mosque and the Faculty of Engineering.”<sup>670</sup> Traditionalists, on the other hand, work from the principle that as the meanings of God’s scriptures are at times immensely complex, special training was needed to understand them and the *ulama*, as Muslim scholars, were the only ones qualified to carry the responsibility of their interpretation.<sup>671</sup> As long as NU’s leaders remained comfortable with the New Order’s representation of *Pancasila*, and prepared to work within it, conflict between traditional Islam and the regime could seemingly be avoided. Overlapping and dominating the above cleavages since the late-1970s and highly relevant to the surge in Islamic awareness, has been the intellectual split, between Islamic ‘spiritualists’ and ‘accommodationists’. Both variants have an impact on New Order politics by offering profound alternative stances to Islam’s appropriate place in contemporary Indonesian socio-political life. While accommodationists believe the *Qur’an* should be understood in the context of existing socio-political conditions and that a secular-nationalist *Pancasila* state is appropriate to Indonesia, scripturalists disavow any tendency towards accommodation and adhere to a conscientious and uncompromising implementation of Islam’s requirements.

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<sup>667</sup> Douglas E. Ramage, ‘Social Organisations: *Nahdlatul Ulama* and *Pembangunan*,’ in R. W. Baker, M. H. Soestrato, J. Kristiadi and D. E. Ramage, (Eds.), *Indonesia: The Challenge of Change*, (Institute of Southeast Asian Studies, Singapore, 1999), pp. 202-215. Hefner, (2000), p. 87.

<sup>668</sup> Ramage, (1999), p. 207.

<sup>669</sup> Liddle, (1996), p. 622.

<sup>670</sup> Samson, (1973), p. 136.

<sup>671</sup> Hefner, (1999), pp. 217-9.

### 3.2.2 Institutionalising Islamic politics

Acknowledging the strong ties between Muslim leaders and the Indonesian populace, and intent on unifying political Islam into a controllable entity, the Japanese occupation authorities organised Muslim interests into the *Masyumi* federation in 1942.<sup>672</sup> During the early years of independence, modernist Islamic aspirations found political expression initially through *Masyumi* until the organisation was banned by the Sukarno regime and during the early years of the Suharto New Order through the political party *Parmusi* (*Partai Muslimin Indonesia*). Largely representing modernist interests and the largest Muslim political party, *Masyumi* polled 21% of the vote in the 1955 election but their vocal opposition to Sukarno and Guided Democracy's secular-nationalist perception of the Indonesian state (as well as the involvement of key *Masyumi* leaders in the anti-government regional revolts of 1958-9) saw the party dissolved by Presidential decree in 1960 and most of its leadership imprisoned. The largest and most influential of *Masyumi*'s political factions, notwithstanding significant elements of fundamentalists and accommodationists, were reformists who viewed Islam as a relevant religion for the modern age that Indonesia was entering.<sup>673</sup> The reformists were also willing to co-operate with secular groups and even with the secular-nationalist Javanese political elite if, in so doing, they could advance their own social and political ends. With regard to their non-negotiable Islamic goals, the reformists were adamant to the point of militant fundamentalism, a stance that led to their proscription and relegation to a clandestine periphery under both Sukarno and later the Suharto New Order. But the difference between the *Masyumi* schools of thought, the trio of 'fundamentalism', 'reformism', and 'accommodationism', was not a simple clear-cut rivalry between those promoting political Islam and individual spirituality; it was more about differences of opinion as to the direction Muslim politics should take.<sup>674</sup>

In terms of different perceptions of a religious political party's role, the appropriate interaction between the Islamic community and non-Islamic groups, and the meaning of Islamic struggle, *Masyumi*, and later *Parmusi*, represented, through fundamentalist, reformist, and accommodationist strains, three distinct visions.<sup>675</sup> The reformists, the largest and most influential grouping, viewed Islam as not only

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<sup>672</sup> Hefner, (2000), p. 41.

<sup>673</sup> Howell, (2001), pp. 705–707. Crouch, (1978), pp. 260-1. Samson, (1973), pp. 118-121.

<sup>674</sup> Samson, (1973), pp. 118-121.

<sup>675</sup> Samson, (1973), pp. 118-120.

relevant but essential to modern times and attempted to use politics to instil Islamic values broadly across Indonesian society. Occupying a middle ground between fundamentalists and accommodationists, the reformists remained willing to co-operate with secular groups if only to achieve desirable social, economic, and political ends, but generally refused to budge on basic Islamic goals. On the other hand, opposed to any form of religious laxity, fundamentalists (that later in the New Order assumed a more scripturalist position) applied a narrow, uncompromising approach to politics. While valuing the inclusive framework offered by Islamic solidarity, accommodationists assumed a pragmatic stance towards Muslim social and economic interests, prepared to separate politics from strict religious supervision. Politically flexible, accommodationists have generally been prepared to align themselves with secular political forces when necessary and willingly acknowledge the legitimate authority of the secular-nationalist Indonesian state as defined within the New Order's *Pancasila*-ist frameworks.<sup>676</sup> On the other hand, to both the fundamentalists and the reformists, politics has been all about unceasing struggle against forces hostile to Islam. While accommodationists value Islamic solidarity they have tended to be more concerned with social and economic progress and thus remain flexible, viewing politics as more “the art of the possible” than an unflinching defence of Islamic faith.<sup>677</sup> With *Masyumi* thinkers removed from the political frame through banishment and imprisonment during Sukarno's last years in power, with the PKI Communists expanding their socio-political influence, with NU's ‘soft’ traditionalism the only Islamic influence in a parliament bereft of reformers, and reflecting the military's deep loathing of *politika-Islam*, Muslim influence over national politics steadily declined.<sup>678</sup>

### 3.2.3 *Political Islam under the New Order*

Throughout the New Order the military and Islam remained Indonesia's most influential socio-political forces with ABRI dominating the political arena. *Politika-Islam* remained on the political peripheries until the early 1990s when in a major shift the regime re-aligned its alliance-structure and assimilated an accommodative and compliant section of Islam into the socio-political framework. Vocalised by a diverse

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<sup>676</sup> Samson, (1973), p. 119.

<sup>677</sup> Samson, (1973), p. 120.

<sup>678</sup> Nordholt, (2002), p. 141. Hefner, (2000), p. 44.

range of intellectual strains, the voice of Islam was initially unable to offer a coherent ideological challenge. This section will address these issues.

Two key ideological strands within the ABRI leadership had always opposed any form of compromise with political Islam: soldiers of a Javanese cultural tradition saw Islam as a “rival culture” and those of a secular-modern persuasion saw Islam as ideologically incompatible with modernisation.<sup>679</sup> The New Order generals could not forget modernist *Masyumi*’s political activism in the regional rebellions of the first decade of independence so *politika-Islam* fared badly from the outset. The NU traditionalists on the other hand, having co-operated with the military during the 1965-6 anti-PKI purge, expected the newly empowered military to look more favourably upon them and their interests.<sup>680</sup> To their disappointment, the New Order’s attitude hardened towards its post-coup partners and towards Islam in general. Suharto was determined to nullify any potential centres of civil autonomy and non-state authority and any form of political Islam threatened the likelihood of both. *Masyumi* leaders had hoped that the New Order generals might restore their party to political life and enable them to continue their campaign for a greater state commitment to Islam. In the aftermath of the blood-spilling of 1965-66 they were refused even the ineffectual status given to *Muhammadiyah* and NU.<sup>681</sup>

Although Suharto refused a *Masyumi* appeal for the rehabilitation of the party in early 1968, he acknowledged that modernist Islam needed some form of vehicle to express itself so he approved the formation of a new Islamic political party in February 1968.<sup>682</sup> Named *Parmusi* (*Partai Muslimin Indonesia*) the new party was authorised on the condition that remnants of the former *Masyumi* leadership are excluded and ABRI’s manipulation of the new party’s structure ensured that accommodationist leaders close to ABRI held key positions, rendering the party politically ineffectual from the outset. The political aspirations of Islamic modernism carried over into the New Order were further split by an ongoing dilemma in that the three dominating factions of fundamentalists, reformists, and accommodationists permitted to join the new Islamic party to varying degrees exhibited a constant and profound inability to coexist. While some factions showed an occasional pragmatic

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<sup>679</sup> Samson, (1973), p. 117.

<sup>680</sup> Nordholt, (2002), p. 141.

<sup>681</sup> Robert W. Hefner, ‘Islam, State, and Civil Society: ICMI and the Struggle for the Indonesian Middle Class’, in *Indonesia*, No.56, October, 1993, p. 3.

<sup>682</sup> Allan A. Samson, ‘Islam in Indonesian Politics’, in *Asian Survey*, Vol.4, 1968, pp. 1001-1017.

and rational approach to politics others remained theologically rigid and unwilling to move on key ideological issues exhibiting divisions the ruling secular-nationalist Javanese political elite eagerly exploited to their advantage.

Disappointed former senior *Masyumi* leaders were left with no option but to pursue their struggle for political power outside the party system which they did by emphasising *dakwah* (religious predication - preaching an appeal for a deeper profession of faith among the Muslim community) and adopting the relatively inoffensive strategy of principled non-cooperation towards the regime. Although employing and promoting a cultural version of Islam former *Masyumi* leaders seemed to be merely suspending, rather than relinquishing, their goal of an Islamic state.<sup>683</sup> A younger generation of *Masyumist* intellectuals, frustrated with the earlier failure of the political approach, associated themselves with this Islamic revitalisation of faith under the rubric of renewal (*pembarua*) and gained considerable legitimacy by publicly rejecting *Masyumi's* long-time struggle for state power.<sup>684</sup> Their belief that the earlier subordination of Islamic ideals to the needs of party politics had merely distorted religious teachings and debased the idea of *politika-Islam* enabled them to separate religion intellectually from politics. Offering an alternative strategy of societal reform through constructive engagement, learning, and education, the young *Masyumist* intellectuals argued for a Muslim politics that did not necessarily require the goal of an Islamic state.<sup>685</sup> The young modernists claimed that the early Muslim leaders had fallen to wasting their efforts on unprofitable ideological bickering and “frivolous political adventures” rather than concentrating on intellectual and economic reform.<sup>686</sup> They concluded that the over-riding dilemma for Indonesian Islam was that while the appeal to Muslim solidarity required Islam remaining at the heart of social life, Islam offered little idea as to how the state itself should be organised politically. This growing stream of modernist intellectual debate persisted for some decades outside the realm of elite New Order party politics but strengthened irresistibly with the Islamic resurgence through the 1980s into the 1990s and gained socio-political legitimacy through the formation of ICMI in 1991.

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<sup>683</sup> Hefner, (1999), p. 227.

<sup>684</sup> Hefner, (1999), pp. 226-7 and (2000), pp. 96-7.

<sup>685</sup> Hefner, (1993), pp. 5-8. and (1999), p. 227.

<sup>686</sup> Hefner, (1993), p. 6.

Suharto's New Order followed a two-pronged Islamic policy that on the one hand promoted individual piety but firmly depoliticised religion on the other.<sup>687</sup> By merging Muslim political interests after the 1971 election into the PPP (United Development Party) and enforcing *azas tunggal* in 1984 that demanded PPP (the officially approved Islamic party) and all social organisations and political parties accept *Pancasila* as their sole ideology, Suharto virtually guaranteed that Islam remained politically ineffectual.<sup>688</sup> As Islam had seemingly acquiesced to the New Order's organic prerogatives ideological conformity had been preserved. While the peculiar New Order tactic of suppressing Muslim parties and, at the same time, encouraging Muslim piety offered Muslims access to no more political space than other society-based organisations, during the late-1980s the Islamic community experienced a remarkable social renaissance unprecedented in modern Indonesian history.<sup>689</sup> The era's surge in religious awareness indirectly heightened political consciousness. While it had been considered unfashionable before the mid-1980s for middle-class Muslims to openly display piety, this reluctance changed during the late 1980s and it not only became acceptable but also desirable for urban professionals to be seen as living a virtuous Muslim life-style.<sup>690</sup> An accelerated conversion of nominal Muslims to the faith, and a growing religious awareness and piety, sent a message to the regime that Islam's position on the political landscape needed to be re-considered. The unexpected and unintended consequence of *azas tunggal* was that while the intention of the state directive had been to re-enforce acknowledgement of *Pancasila's* implicit secularism, Muslim political influence actually strengthened. After years of political isolation, and now no longer identified with an independent political party, Islam had become less confining and thus more accessible to every political party. Islam's resurgence was also complicated during the 1990s by the large number of re-politicised Muslims coming to represent the largest constituency within the pro-democracy movement that was by implication hostile to the New Order.

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<sup>687</sup> R. William Liddle, 'The Islamic Turn in Indonesia: A Political Explanation,' in *The Journal of Asian Studies*, Vol. 35, No. 3, August, 1996, p. 621.

<sup>688</sup> Four Islamic political parties had been allowed to exist initially under tightly controlled conditions of organization and leadership: *Nahdlatul Ulama* (NU), Parmusi, (successor to *Masjumi* that had been allowed to form in 1968 without earlier *Masjumi* leaders) and two small Islamic parties that had won a few percent of the 1955 vote.

<sup>689</sup> Hefner, (2000), p.59. Julia Day Howell, 'Sufism and the Indonesian Islamic Revival,' in *The Journal of Asian Studies*, Vol.60, No.3, August 2001, pp. 701-703.

<sup>690</sup> Greg Barton, 'The Prospects for Islam,' in Grayson Lloyd and Shannon Smith, (Eds.), *Indonesia Today: Challenges of History*, (Institute of Southeast Asian Studies, Singapore, 2001), pp. 245-8.

*Azas tunggal* had been intended to tighten ideological conformity but effectively became a turning point in Islam's repoliticisation when Abdurrahman Wahid reacted by withdrawing his some forty million traditionalist NU followers representing the nation's largest Islamic social and educational organisation, from the regime's official political process. By so doing, his organisation abandoned formal politics as part of the New Order's forced amalgam of Islamic parties, the PPP, and outwardly rededicated itself to its original social and educational purposes. Ostensibly a social pressure group dedicated to a socially oriented approach to Islamic life, NU had in theory become more acceptable and less threatening to the regime. As such, Wahid claimed the organisation was better able to respond to the societal trauma of economic development that he saw as having become the major problem confronting grass-roots Islamic society. Releasing his organisation's secular-nationalist, non-exclusionary and accommodative vision of Islam and the state from what he regarded as *ersatz* domestic politics as part of PPP, the charismatic Wahid was better placed to play politics Suharto's way and did so by somewhat ironically adhering firmly to his understanding of the principles of *Pancasila*. To strengthen its hand in his new political position outside formal politics, NU accepted the regime's insistence that *Pancasila* be the basic foundation of the New Order state. By doing so, Wahid not only formally rejected the proposition that Indonesia ever become an Islamic state but also subtly questioned the regime's organic legitimacy by applying his own interpretation to *Pancasila*. As a result of the loss of traditional Islam's political support the PPP's electoral popularity dropped dramatically from a high of 27% in the 1982 election to 16% in 1987.<sup>691</sup> Although Islam had declined as a direct political force, its social significance, and hence its indirect political influence, strengthened.<sup>692</sup>

### ***3.2.4 Political Islam, Presidential initiative and ideological refurbishment***

The late 1980s represented a water-shed for *politika-Islam* and, defined by a growing debate between those who wanted Indonesia to become more Islamic and those who wanted Islam to become more 'Indonesion-ised', discussion shifted to

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<sup>691</sup> Blair A. King, 'The 1992 General Election and Indonesia's Political Landscape,' in *Contemporary Southeast Asia*, Vol.14, No.2, September, 1992, pp. 159-162.

<sup>692</sup> *FEER*, S. Awanohara, 'The New Call to Prayer,' January 24, 1985, pp. 26-31.



centre on the twin poles of Islam and secular-nationalism.<sup>693</sup> Indonesian nationalism had been the most influential factor driving *politika-Islam* during the first half of the 20<sup>th</sup> Century, but from the early days of the New Order the majority of Muslims had resigned themselves to the idea of a secular state. Accommodating Muslim politics to the regime's idea of nationhood became increasingly problematic. Initially influenced by Middle East reformist ideas, Muslim nationalists became convinced that Islam, rather than secular-nationalism and socialism, was the correct basis for future Indonesian nationhood, but the idea central to modernist politics that religion and the state could not be separated continued to divide Indonesian Muslims.<sup>694</sup>

By the end of the 1980s, having decided that the relationship between Islam and the state needed to be re-addressed, Suharto initiated a dramatic attitudinal shift towards Islam's place in the New Order. In contrast to the 1970's and 1980's view that given more political influence Islam would pose a potential threat to a harmonious, pluralist, unitary state, from the late 1980s Suharto softened his previously uncompromising attitude and actively, albeit cautiously, began to court Muslim support.<sup>695</sup> His tilt towards Islam should not have been overly surprising. *Azas tunggal's* acceptance by all organisations, specifically Islamic social organisations and political parties, permitted the New Order to relax its concerns that organised Islam threatened the state's secular-nationalist ideological basis.<sup>696</sup> The Muslim middle class of the 1980s and 1990s had become more confident culturally and moved beyond the belief of the 1950s and 1960s that Islam was simply a religion of traditionality belonging to uneducated and backward villagers. Although as good Muslims they believed that there could be no separation between religion and society, most generally did not support the idea of an Islamic state.<sup>697</sup> The dramatic expansion of the state education system over two decades had been the principal reason for the change in outlook. By providing Western-style education from primary to tertiary level the state had offered millions of children and young adults the chance to gain urban white-collar employment and access to a modern life style. Paralleling economic development, religious instruction had produced a more uniform Islamic population, modern yet more openly pious in their daily lives and the workplace.

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<sup>693</sup> Vatikiotis, (1998), p. 130.

<sup>694</sup> Hefner, (2000), p. 39.

<sup>695</sup> Vatikiotis, (1998), p. 131. Barton, (2001), pp. 245-6.

<sup>696</sup> King, (1992), pp. 155-6.

<sup>697</sup> Liddle, (1996), p. 618.

Although Islam's independent political influence had been minimal throughout the 1970s and into the 1980s the compensating surge in Islamic social and intellectual vitality represented a decisive turning point for cultural and civil Islam, appearing to vindicate the accommodation Muslim leaders had shown towards the regime since Suharto's grabbing of power in 1966 had neutralised their political visions. Importantly, cultural Islam's most visible advance was the economic growth among the middle class that were coming to dominate the metropolitan regions. With *azas tunggal* re-affirming ideological conformity, reassuring the political system that Islam was no longer associated with any single political party, and recognising the value in supporting Islam's cultural resurgence, all political parties began to promote some level of commitment to its tenets. The form of Islam presented also remained more attuned to the regime's politically neutral 'neo-Santri' stance than the troublesome, highly politicised, Islam of the 1950s and 1960s.<sup>698</sup> Moreover, Suharto's change in attitude towards Islam had much to do with the credible view that as the Muslim middle class (representing the majority of state officials and bureaucrats) had much to contribute to, and gain from, development, they would no longer threaten New Order values and goals. Nevertheless, compared to its persecution of Islamic modernists during the early decades of the New Order the regime's turnaround during the late 1980s represented a dramatic turning-point in the relationship between Islam and the New Order state.<sup>699</sup>

### 3.2.5 ICMI and the New Order

The most controversial formalisation of the New Order's reassessment of Islam, and a move that institutionalised the changed relationship, was Suharto's sponsorship and support for the modernist Muslim Intellectual Association, ICMI, in December 1990. By placing his powerful support behind the organisation (it would never have been born without it) Suharto appeared not only to be offering the Muslim community the benefits of his considerable powers of patronage but also to be rekindling hopes of a more political role for Islam.<sup>700</sup> As ICMI drew much of its

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<sup>698</sup> Hefner, (1993), p. 12.

<sup>699</sup> Liddle, (1996), pp. 614-5.

<sup>700</sup> On December 6, 1990, President Suharto opened the first meeting of ICMI, dressed in mosque attire and hitting a large mosque drum. Hefner, (1993), p.1. John R. Bowen, *Muslims Through Discourse: Religion and Ritual in Gayo Society*, (Princeton University Press, Princeton, 1993), p. 329. George, (1998), p. 699. R. William Liddle, 'Regime: The New Order,' in Donald K. Emmerson, (Ed.),

initial membership from the ranks of the bureaucracy, independent ICMI members complained that the immediate flow of new recruits from government departments was an intentional regime strategy designed to dilute any free expression the new association may have hoped for.<sup>701</sup> Indeed, ICMI's formation and management appeared to represent no more than a further example of the New Order technique of bureaucratic control through corporatist inclusion. Notwithstanding the reasons behind its formation and its strong Presidential backing, ICMI provided a number of Muslim activists, previously excluded from the debate over Islam's place in Indonesian society, a voice in socio-political affairs and, importantly, unprecedented freedom of movement and access to the press. ICMI may have simply been formed as a vehicle to assist the President's re-election in the 1993 elections but even so it offered Muslims an historic opportunity and, by encouraging a deepening Islamic devotion within the middle class and government officials, represented an achievement in itself.<sup>702</sup>

Suharto's shift towards Islam could have been interpreted in a number of ways. Having sensed a drop in ABRI support the President may have felt the need to balance the setback with a new support base. From the mid-1980s Suharto's power had become such that if it was to his benefit to do so, he could bypass the military. The appointment of the highly unpopular GOLKAR Chairman Lt. General (Ret.) Sudharmono as his vice-President in March 1988, together with the fact that only three of the nine hand-picked advisers chosen to assist him in formulating his 1988-93 Cabinet came from ABRI, had incensed the generals. Unhappy with a series of ABRI initiated senior command appointments, Suharto had also taken to intervening in the appointment process by appointing former Presidential adjutants to key commands. The powerful intelligence guru, the Catholic General Moerdani, had led the opposition to Sudharmono's appointment so Suharto removed him from power but Moerdani's influential networks remained in place and military opposition to the President continued to focus around him. Suharto's breach with ABRI and in particular those allied to Moerdani intensified during 1989 and 1990.<sup>703</sup> Numerous

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*Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (Sharpe, London, 1999), pp. 60-64.

Hefner, (1999), p. 229. Barton, (2001), pp. 245-6.

<sup>701</sup> Hefner, (1993), p. 30.

<sup>702</sup> Hefner, (1993), p. 27.

<sup>703</sup> Suharto's breach with influential elements of the Armed Forces command is further discussed in Chapter 6, section 2.1.1, pp. 262-264 and section 4, pp. 270-274.

high ranking military officers advised the government against ICMI on the grounds that the association could only but encourage emotional and primordial issues.<sup>704</sup> The President's support for a modernist Islamic intellectual stream might have had something to do with an old man's growing piety but Mackie offers the generally accepted, more cynical, view that notwithstanding its balancing of lost ABRI support, Suharto viewed ICMI more as a mechanism for elevating chosen Muslim intellectuals, previously excluded from influence, thereby gaining their support before the 1993 elections.<sup>705</sup> Supporters might have hoped for some form of reward in return for loyalty and in due course access to previously denied perquisites of power and influence. ICMI is thus best viewed as another example of New Order-style bureaucratic/corporatist politics linking patrons to clients as much as an attempt at ideological refurbishment by realigning social forces through assimilation. The steady stream of officials joining the organisation during its first few years strengthened both views and Suharto gained much politically by promoting compliant ICMI personnel into GOLKAR leadership positions. It was after all a prime function of the two state political organisations GOLKAR and ABRI to compliment each other to ensure Suharto's parliamentary majority. As GOLKAR's two major institutional elements were ABRI and the civilian state bureaucracy, by providing the President with GOLKAR cadres "from outside of the Armed Forces command structure" ICMI reduced the President's reliance on ABRI support in parliament.<sup>706</sup>

It is difficult to go beyond the view that ICMI enabled Suharto to merely "play the Muslim card" against those in the military and the pro-democracy reformist movement he suspected of opposing him and his desire for a further Presidential term.<sup>707</sup> This view had ICMI as little more than a centrally controlled umbrella of Islamic political support created to bolster the President's political agenda that would, after the 1993 election, simply be allowed to fade away. But this was not to be the case and clearly as part of Suharto's long-term political strategies ICMI survived with its accommodatory-stanced members continuing to play an important role in future

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<sup>704</sup> Hefner, (1993), p. 24. Hikam, (1996), p. 32.

<sup>705</sup> Jamie Mackie, 'Indonesia: Economic Growth and Depolitisization,' in James W. Morley, (Ed.), *Driven by Growth: Political Change in the Asia Pacific Region*, (East Gate, New York, 1999), p. 135.

<sup>706</sup> Liddle, (1996), p. 626.

<sup>707</sup> Hefner, (2000), p. 128.

cabinets well-placed to influence the growing mid-1990s debate over Islam and its role in Indonesian life.<sup>708</sup>

An instrument of the President's creation, ICMI thus appeared to be just one more corporatist organisation created by the New Order for the express purpose of controlling a potentially problematic social group.<sup>709</sup> The potential for nuisance was a nascent Islam bent on modernity, reform, and more influence over political life but Suharto was always the final arbiter when the political system needed re-shaping and any change tended to be to his ultimate advantage. His stance towards Islam should therefore be seen realistically in terms of the two-pronged approach the New Order had always employed; encouragement of personal piety balanced by ruthless suppression of unacceptable Islamic political activity. Therefore, as a top-down initiative, and whether or not intended to offer modernist Islamic intellectuals a stronger voice in Indonesian life, ICMI was primarily intended to foster Suharto's political advantage rather than the broader needs of the Islamic community.<sup>710</sup>

On a personal level, ICMI aroused considerable animosity within the military towards the organisation's chairman, Suharto protégé B. J. Habibie. Habibie harboured higher political ambitions and ICMI offered him the mass political base he lacked. A strong economic nationalist, in return for their political support Habibie was able to offer ICMI's accommodative Islamic intellectuals and activists an opportunity for both economic advancement and access to political advantage.<sup>711</sup> As well as suspicion that the organisation might add some legitimacy to Muslim activists calling for the de-militarisation of Indonesian politics, ABRI maintained its traditional concerns that should ICMI enable Habibie to develop his own mass political base, Indonesia might return to the disastrous primordial politics of the early 1960s. Notwithstanding Suharto's rapprochement with Islam being driven to some extent by concerns over diminishing ABRI support, ICMI clearly reflected the President's awareness of the extent of Islam's resurgence, and the necessity of accommodating and harnessing it to his political advantage.

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<sup>708</sup> In December 1995, at its second national congress, Habibie was chosen for a second five-year term as Chairman and sixteen ministers, nearly half the cabinet, held leadership positions in ICMI. Liddle, (1996), p. 613.

<sup>709</sup> Liddle, (1996), p. 615.

<sup>710</sup> Liddle, (1996), p. 616.

<sup>711</sup> Hikam, (1996), p. 32.

### **3.2.6 Megawati, the PDI, and a secular-nationalist parliamentary alternative to GOLKAR**

The PDI (Indonesian Democracy Party) had been formed during the 1974 electoral reconstruction<sup>712</sup> to coalesce the secular-nationalist aspirations of the people into a non-governmental political party but its leadership were carefully vetted and monitored by the top level of the regime. The PDI, like the Muslim PPP, was not supposed to be an opposition party but intended to be a corporatist arrangement replacing Sukarno's old nationalist party and provide broader secular-nationalist support for the regime than the official New Order party GOLKAR.<sup>713</sup> By early 1996 PDI was showing signs of defying its intended role within the New Order political arrangement so a party conference was organised to oust its leader Megawati Sukarnoputri, Sukarno's highly popular daughter, and replace her with the more regime-compliant Drs Soerjadi as Chairman to debar Megawati and her supporters from taking part in the May 1997 elections.<sup>714</sup> Megawati and her supporters reacted with a systematic populist attack on the regime demanding reform, an end to corruption, an overhaul of the political system and the reinstatement of political and civil freedoms. The regime responded by demonstrating that their coercive instincts remained intact and on July 27 1996 a mob of thugs and soldiers attacked the PDI party headquarters, killed several PDI supporters and a number disappeared presumably into security service detention.<sup>715</sup> Megawati's growing popularity was apparent when tens of thousands of urban poor rioted following the attack and although the demonstrations lacked political direction they indicated the depth of socio-economic grievance facing the regime. Significantly, the demonstrations showed that dissatisfaction had found an establishment outlet through Megawati.

The violent rioting spread throughout Java and various places in Indonesia and most had ethnic, religious and economic undertones: in West Kalimantan some 500 people died in violence between Christians and Muslims, and Sino-Indonesian resentment fuelled widespread anger towards the government's economic policies that greatly favoured Sino-Indonesian corporate interests close to

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<sup>712</sup> Above, section 2.2, pp. 197-198.

<sup>713</sup> Stefan Eklof, *Indonesian Politics in Crisis: The Long Fall of Suharto 1996-98*, (Nordic Institute of Asian Studies, Copenhagen, 1999), pp. 222-4.

<sup>714</sup> M. Djadijono, 'Economic Growth and the Performance of Political Parties', in R. W. Baker, M. Hadi Soestrato, J. Kristiadi, and D. E. Ramage, (Eds.), *Indonesia: The Challenge of Change*, (Institute of Southeast Asian Studies, Singapore, 1999), p. 118.

<sup>715</sup> Eklof, (1999), p. 223.

the executive office. Elements within the military and modernist Muslim ICMI were believed to have instigated the riots in East and West Java to discredit Wahid and his traditionalist NU organisation that had been demonstrating support for Megawati's PDI. While it is difficult to substantiate the various conspiracy theories they did indicate the depth of distrust and mutual suspicion within the New Order political establishment.<sup>716</sup>

#### ***4. The New Order political imbroglio of the mid-1990s: Islam's 'scripturalist/accommodationist/reformist' dilemma***

Increasingly dominating the debate around *politika-Islam* during the mid-1990s was a growing distinction between the accommodationist ICMI Islamic grouping and a loosely arranged, predominantly Islamic, rival assemblage of secular-nationalist-inclined reformists that opposed the New Order's socio-political arrangements and demanded change. At the forefront of the debate, and sensitised by ICMI's formation, was a concern among secular-leaning nationalists that the deepening Islamisation of Indonesian political life tended to contradict *Pancasila's* basic tenets as the organic intellectual basis of the New Order state. Loosely defined and often overlapping distinctions between accommodationist and reformist Islamic groupings further complicated the debate. Notwithstanding that secular-nationalists included many non-Muslims, millions of traditionalist Muslims from Wahid's NU openly sympathised with the secular-nationalist view and shared their fear of any deepening Islamisation of Indonesian political life.<sup>717</sup> Their concern was to some extent understandable as some ICMI modernists were suspected of having assumed the mantle of the 1950s *Masyumi* party and thus retained the old commitment to an explicitly Islamic state. Some forty years later *Masyumi's* forbearers seemed to have resurfaced and firmly ensconced themselves within the political establishment through the ICMI/GOLKAR linkage and, significantly, did so with clear support from the top level of the New Order regime.<sup>718</sup>

On the face of it the contemporary modernist Islamic agenda appeared pragmatically accommodative towards the New Order, indicating a readiness to work towards an Islamic society within the *Pancasila* framework, and thus appeared more

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<sup>716</sup> Eklof, (1999), pp. 223-4.

<sup>717</sup> Liddle, (1999), pp. 62-64.

<sup>718</sup> Liddle, (1999), p. 61.

moderate and less fixated with the old *Masyumi* views. Their vision for Indonesia appeared to now imply more a “modernity within Islamic guidance” than the problematic juridical Islamic prohibitions and requirements that had driven the modernist agenda in the early days.<sup>719</sup> While most modernists shared a more accommodating modern-day view than that of the old *Masyumists* and accepted that an Islamic society and a more moral Islamic way of life was possible within the New Order *Pancasila* state, their view had somewhat hardened through frustration at having been excluded from economic and socio-political opportunity for some three decades. Contemporary modernists were now motivated more by the promise of access to previously denied political influence and opportunity.

The shifting ground between Islamic modernist-accommodationists and secular-nationalists was nowhere more apparent than within the military/GOLKAR political establishment. Prior to the 1990s GOLKAR had remained firmly hostile to political Islam but with Suharto moving to accommodate Islam, and ICMI growing in influence, a similar shift had occurred within GOLKAR. Parallel shifts occurred within the ABRI leadership and, in contrast to the 1970s and 1980s when then Armed Forces chief Moerdani had advanced a general policy of actively excluding Muslim officers from influential positions and postings, during the early 1990s Suharto was appointing loyal Muslim officers to key posts. It would be an overstatement to suggest that all Muslim officers supported Islam’s growing political influence. Loyalty to military doctrine, *Pancasila*, and the Constitution, deeply permeated the officer corps and when there was sympathy with Muslim activists it generally arose out of individual officer’s frustration at perceived promotion discrimination because of their Muslim faith. The nationalists included military officers as well as civilians, but nationalist-leaning officers were primarily driven by concerns that an overly Islamic agenda might prejudice national unity because the multiplicity of Muslim stances made Islam intrinsically untrustworthy. Regardless of whether they were Muslim or not most officers remained concerned that the religiously-inclusivist Indonesian state implied in *Pancasila* and the officer’s oath be sustained. The most prominent civilian advocating the secular-nationalist position was Wahid and he earned grudging support from a significant portion of the professional officer corps through his persistent political vision that condemned exclusionary religious-based

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<sup>719</sup> Barton, (2001). pp. 249-53.



political parties. His formation of the Democracy Forum (*Forum Demokrasi*<sup>720</sup>) in 1991 (clearly a response to ICMI) had attracted a wide cross-section of support that included, as well as his NU traditionalist Muslims, key Christian democrats and secular-nationalist intellectuals as well as military reformists. In the lead up to the 1997 elections, alongside nationalist officers that feared the resurgence of *politik-Islam* and resented the military's loss of control over GOLKAR, Wahid put his solid support behind Megawati and her PDI's historically strong 'secular-nationalist' credentials.

The closing years of the New Order saw the nationalists loose ground to the various modernist/accommodationist and scripturalist/fundamentalist Islamic groupings.<sup>721</sup> By 1997 the modernist ICMI faction was at the forefront of GOLKAR and the organisation's director, B. J. Habibie, had solidified a support-base among the modernist elites for any future political aspirations his President might have held for him. With Wahid proclaiming a closer relationship with the secular-nationalists and reformists among the ABRI leadership, having implicitly demonstrated that he shared their broad goal of ensuring that politics remained de-confessionalised and that Islam never again be the basis of political allegiance, the undisputed leader of traditionalist Islam seemed to be steering a careful political course between the ideas of a military-dominated state and an Islamic dominated one. The modernist/traditionalist Islamic cleavage had deepened and now assumed clear political distinctions emphasised by Wahid's insinuations that ABRI's doctrinal interpretations had simply reduced *Pancasila* and *dwi fungsi* to political tools to perpetuate their domination of Indonesia's political system on behalf of the Suharto regime. While he agreed with the military that *Pancasila* was "necessary for Indonesian unity", and that the only serious threats to *Pancasila* could come from challenges to the religious and ethnic tolerance implicit in the doctrine, Wahid and the military were still clearly in disagreement over ABRI's exclusive, self-perpetuating, assumption of New Order Indonesia's ideological foundations.<sup>722</sup>

Notwithstanding more than two decades of economic development the better educated and more socio-politically conscious 1990's generation of military

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<sup>720</sup> Edward Aspinall, 'The Broadening Basis of Political Opposition in Indonesia', pp.215-240, in Gray Rodan (Ed.), *Political Opposition in Industrialising Asia*, (Routledge, London, 1996), pp.228 and 236. Also below Chapter 6, section 4, pp. 273-274.

<sup>721</sup> Liddle, (1999), p. 65.

<sup>722</sup> Ramage, (1995), p. 137.

officers remained troubled that the widening gap between rich and poor clearly contravened *Pancasila's* implicit humanitarianism. Given the increasing politicisation of Islam by contradictory intellectual forces their concern remained that income inequality in different parts of the country would be exploited by mass political appeals to religion, race, ethnicity, and class. Thus the considerable political credibility Wahid drew from his populist message of secular-nationalist democracy that tended to turn the language of *Pancasila* against the New Order itself, could only but antagonise instinctively doctrinaire army officers.

By 1997 the emergent force of *politika-Islam* had polarised around the two powerful political constituencies of Islamic modernism and secular-nationalism but was beset with inherent contradictions. Further complicating issues was that the modernists were by no means the sole representatives of *politika-Islam* as millions of NU traditionalists remained well outside the modernist orbit, and the broad 'accommodationist/scripturalist' dichotomy further deepened the confusion as to Islam's place in a future Indonesian state.<sup>723</sup> Fundamentalist elements of the scripturalist position also maintained their own agendas and some had found support among shadowy elements of the Armed Forces that in turn possessed their own agendas, prepared to incite communal disharmony in order that the military be called upon to restore order thereby confirming their power. Also, and significantly, while back in 1955 some 85% of Indonesians were to some degree Muslim, in what were regarded as the only free elections in post-independence history Islamic parties had managed a mere combined 40% of the vote. Clearly Indonesian Muslims did not have a history of identifying politically with Islam but the question remained whether they were inclined towards more democratic political processes.

## 5. *Summary*

This section summarises the chapter's examination of the Suharto New Order's political arrangement of Indonesian life in terms of a Gramscian political bloc. Because it draws on mass perceptions of ideology and culture to order socio-political life, the Gramscian model shows how the New Order political leadership exclusively represented ideology to underpin their hegemonic legitimacy. The

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<sup>723</sup> Liddle, (1999), p. 62.

Gramscian schema reinforces an understanding of the processes through which the ideologically defined political arrangement *Pancasila demokrasi* and its derivatives formalised and tied the New Order political system to legitimate democratic institutions that guaranteed firm control over all levels of social politics. Gramsci's insights and his warnings also explain how the New Order failed the model by not ideologically assimilating in the process of its ongoing hegemonic refurbishment both the broader non-negotiable interests and values of the predominantly Islamic masses, as well as a wide range of increasingly non-negotiable socio-political interests and demands that found accommodation and counter-hegemonic potential in demands for *reformasi dan demokrasi* and Suharto's resignation.

Legitimised by the 1945 Indonesian Constitution, *Pancasila* and its derivatives pervaded all levels of state activity: through its self-proclaimed doctrinal/ideological derivative *dwi fungsi*, ABRI provided the bloc's coercive functions while potentially divisive socio-political forces found amelioration in compliance with the compromises implicit in commitment to a *Pancasila-ist*, secular-nationalist state. Gramsci's perceptions of hegemonic obsolescence and decay also provide needed clarity to an understanding as to how and why Suharto's New Order failed.

Gramscian consensus is distinctive in that it implies a conscious attachment to a ruling order firmly rooted in the idea of the moral and intellectual legitimacy of its leadership, yet in Gramscian terms, the degree of voluntary and consensual support the Suharto New Order political system received from the subordinated masses is questionable. Notwithstanding the plethora of democratic institutions and practices underpinning Gramscian hegemonic order and evident in the New Order socio-political arrangement, mass conformity may merely have derived from society's general fear of the consequences of non-conformity. Deprived of political expression outside of the prescribed political system and denied the alternative of a *politika-Islam*, to the subordinated, predominantly Muslim, rural and urban masses conformity and consensual support for the political system might merely have been through habit, pragmatism, or the belief that it was simply inconvenient not to comply. For the growing urban Indonesian middle-class hoping for a more influential socio-political role in the future there was no realistic or sensible alternative political means of pursuing important individual goals of material

acquisition and prestige. This is an aspect of the consensus implicit in the Gramscian hegemonic model that is found inadequate when tested in the New Order context. Gramsci's insights on coercive means balancing (but not dominating) consensual techniques are also useful yet somewhat difficult to quantify in terms of the clearly despotic, authoritarian, military state that was the New Order where the most common techniques of consensus depended on varying degrees of co-optation, compromise and corruption.

In terms of coercive techniques, Gramsci places a moral limit upon the legitimacy of excessive socio-political authority and the New Order did provide significant socio-political and economic benefits. Before the Suharto New Order took power, Indonesia's cultural and religious diversity threatened catastrophic instability if not somehow unified and ordered. The experiment with liberal democracy during the 1950s had proved a failure and mass mobilisation during the 1960s around sectarian and ideological issues led to a veritable blood-bath yet the New Order's rendering of *Pancasila* provided a unifying formula that prevented mass mobilisation around alternative ideological and cultural renderings enabling all religions to practice reasonable levels of observance. The societal stability the New Order's *Pancasila-ist* arrangement of Indonesian life provided resulted in a high level of socio-political and economic development from which few Indonesians failed to benefit to some extent. It was the largely externally generated regional financial crisis of 1997 that brought some twenty-five years of solid economic growth to an end.

The Gramscian model of hegemonic order requires ongoing hegemonic refurbishment that responds to the needs of changing conditions and the Suharto New Order complied by adeptly re-negotiating and adjusting socio-political alliance arrangements with subordinate groups when necessary. Having at the outset crushed the potentially counter-hegemonic challenge from communism on the left, and *politika-Islam* on the right, the President's preparedness to refurbish hegemonic arrangements when required maintained an effective level of socio-political cohesion until the early 1990s. A forced amalgamation of all political parties into manageable groupings during the New Order's first decade reconstructed the parliamentary environment around *Pancasila demokrasi* and the political elements of ABRI's dual-function role were formalised through both the ideologically-derived military doctrine *dwi fungsi* and their dominance of the official state political party GOLKAR that

enabled the military to oversee the parliamentary process and social politics down to the village level. Attempts at hegemonic refurbishment during the early 1990s, however, were problematic. Reconstructing and Islamising ABRI leadership to counter-balance Suharto's perception that he was losing ABRI support accentuated internal cleavages in the institution that had previously been his unquestioned and most powerful socio-political support base. Offering an accommodative section of Islam a more pro-active socio-political role in turn both emphasised irreconcilable theological differences within Indonesian Islam and heightened ABRI fears of possible sectarianism that would contradict the state's *Pancasila*-ist secular-nationalist basis. The President's attempts at hegemonic refurbishment during the early 1990s also presaged potential counter-hegemonic consequences among the diverse range of interests increasingly vocalising demands for *reformasi dan demokrasi* and an end to Suharto's Presidency.

Gramsci's insights would indicate that to sustain hegemonic legitimacy the New Order would need to establish and maintain socio-political domination by first aligning its interests through a balance of coercive/consensual processes of mass socio-political arrangement and second, reconciling the ideological frameworks of its two most powerful socio-political constituencies, ABRI and Indonesian Islam. ABRI proved an effective instrument in carrying out the coercive aspects of hegemonic socio-political arrangement while an array of persuasive symbols and institutions attended to hegemony's consensual demands and regulated socio-political behaviour by alternatively neutralising or assimilating societal interests including those of the majority Muslim urban and rural masses.

Mass socio-political arrangement was subject to ongoing refurbishment and re-negotiation with elite and popular political interests rationalised by such arrangements as the restructuring of the political system in 1974, and the imposition of *azas tunggal* in 1984 that compelled all mass social organisations to acknowledge the bloc's socio-political legitimacy and accept *Pancasila* as their sole foundation. Hegemonic refurbishment utilised such instruments of hegemonic coercion/persuasion as SARA that defined the boundaries of socio-political discourse, and the somewhat sinister executive-initiated P4 program that reaffirmed the civil services' socio-political and ideological responsibilities in supporting the regime's hegemonic agendas. An ongoing process of organisational co-optation drew all

significant functional groupings into the military-dominated GOLKAR political framework that institutionalised the national-popular participatory voice of *Pancasila demokrasi*.

While, in Gramscian terms, the evolving doctrinal/ideological dichotomy of *Pancasila demokrasi* and *dwi fungsi* enabled ABRI to legitimise hegemony's coercive imperatives, the institution's former cohesion loosened from the late-1980s. Under Moerdani's command doctrine firmly adhered to *Pancasila's* secular-nationalist tenets but his fall from favour, concurrent with Islam's socio-political resurgence and coinciding with growing demands for more military professionalism from a new generation of officer, stimulated a questioning, both within and outside the military, as to *Pancasila's* legitimacy and in particular the role of its doctrinal derivative *dwi fungsi* in Indonesian life. Contradictions between doctrine and ideology, complicated by perceptions of their mutual validity, weakened ABRI solidarity and in turn questioned the very substance of New Order political legitimacy. With Suharto offering Islam more space for socio-political influence during the early 1990s and ABRI influence over GOLKAR weakening, ABRI solidarity and cohesion faltered. The military's previously unqualified support for Suharto came under question as elements both within and outside ABRI came to reassess and question the resurgent *politika-Islam* in *Pancasila-ist* terms. Given the increasing politicisation of Islam by contradictory intellectual forces (both organic and traditional in Gramscian terms) the military's concern was that income inequality in different parts of the country could be exploited by mass political appeals to religion, race, ethnicity, and class. Although viewed as necessary hegemonic refurbishment, Suharto's opening to Islam represented a decisive turning point in the previously carefully crafted and balanced relationship between Indonesia's two most powerful socio-political forces.

In Gramscian terms, while Indonesian Islam's potentially divisive political forces were initially subject to the regime's coercive instincts they were ultimately ameliorated and assimilated into the bloc through the moral and intellectual political leadership represented by *Pancasila demokrasi*. As with ABRI, the regime's relationship with the socio-political forces of *politika-Islam* required periodic refurbishment and re-negotiation in the face of the changing socio-political realities brought about by the Islamic resurgence from the late-1980s. The non-monolithic

nature of Indonesian Islam, split by irreconcilable intellectual schisms across the theological spectrum traversing accommodation and dogma, proved problematic. By choosing to assimilate an accommodative modernist Islam into the socio-political order Suharto's attempt at hegemonic refurbishment merely invited opposition from within both ABRI and elements of contemporary Islam, questioned *Pancasila's* true meaning as opposed to that of the New Order and, as the 1990s progressed, roused a wide range of social forces behind calls for *reformasi dan demokrasi* and offered the potential for an emergent counter-hegemony.

Riven by profound cleavages, Indonesian Islam strongly precludes the likelihood of unified counter-hegemony emerging based on either sectarian or secular-nationalist principles. Historically endeavours to formulate a coherent unified *politika-Islam* opposition prior to Suharto failed and *politika-Islam* was more firmly curtailed and peripheralised by the New Order bloc. Islam's changing role in terms of Presidential reassessment and the need for hegemonic re-arrangement and realignment following Islam's cultural and socio-political resurgence from the mid-1980s led to Suharto's most controversial Islamic initiative, his support for the Islamic modernist organisation ICMI in 1991. While in Gramscian terms ICMI can be seen as an attempt at ideological refurbishment through assimilating an accommodative segment of Islam into the bloc, it can also be viewed as another example of New Order-style bureaucratic/corporatist politics linking patrons to clients. Notwithstanding his apparent realisation, having re-assessed changing socio-political realities, of the need for hegemonic refurbishment the subsequent debate surrounding the *politika-Islam*/secular-nationalist dilemma in the context of intra-regime rivalry and growing mass demands for *reformasi dan demokrasi*, provided fertile ground for the formation of a nascent counter-hegemony founded upon an alternative socio-political reading of ideology.

For most of the period from its creation in 1967 until its demise in 1997/8 the New Order political arrangement exemplified the principle characteristics of a Gramscian hegemonic model political bloc but notwithstanding a period of Suharto-initiated and carefully crafted hegemonic refurbishment from the late 1980s, in Gramscian terms, the bloc exhibited significant shortcomings during the 1990s. Gramscian hegemony required an ongoing balancing of coercion and persuasion with domination not coming about through a predominance of the former. The New Order

political bloc sustained the Gramscian requirements of socio-political order by, on the one hand, and certainly during its first decade, deploying its coercive socio-political resources to create stability and order and it also, on the other, mitigated and assimilated from below into its alliance structures, through a persuasive rendering of the state ideology *Pancasila*, elements of all potentially divisive socio-political forces. The New Order political bloc also met the Gramscian imperative of diffusing a ‘common sense’ concept of socio-political reality throughout all of society’s institutional manifestations and did so by generally convincing society to accept a regime rendering of a binding ideology that unified all classes behind the regime’s world-view. Where the New Order political bloc did exhibit shortcomings in Gramscian terms was in failing to comprehensively assimilate subordinate values and ideals across the total socio-political spectrum. Gramsci’s insights suggest that by neglecting prime subordinate non-negotiable values in its dissemination of the state ideology *Pancasila*, New Order moral and intellectual legitimacy declined and the bloc suffered hegemonic obsolescence and decay opening the way a for potential counter-hegemony to evolve.

As discussed in Chapter 1, a stable, ongoing hegemony requires that a cultural and ideological belief system be proliferated through society to the extent that it is accepted as universally valid and that its norms and values legitimately express all including subordinate interests.<sup>724</sup> As the Gramscian model shows, only so long as the alliances upon which the bloc has been built can be sustained will a stable hegemony last.<sup>725</sup> Hegemony must not only influence the plethora of interests that inform the mass consciousness, but must also constantly respond to them.<sup>726</sup> Hegemony must respond to changing circumstances through ongoing hegemonic refurbishment to reaffirm the arrangements but the broader, increasingly non-negotiable, interests from within both of the bloc’s key socio-political constituencies, Islam and the military, were not appropriately accommodated in Gramscian terms.<sup>727</sup> While significant elements of an accommodative Islam were co-opted and assimilated into the New Order’s hegemonic arrangements, with the bloc’s rendering of *Pancasila* providing the appropriate enabling discourse, the majority of the masses were not.

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<sup>724</sup> Chapter 1, section 1.4, pp. 28-32, section 1.5, pp. 33-35.

<sup>725</sup> Chapter 1, section 1.4, p. 31.

<sup>726</sup> Chapter 1, section 1.6, p. 35.

<sup>727</sup> Chapter 1, section 1.9.1, pp. 42-46.



Their traditional leaderships drew upon various alternative renderings of *Pancasila* to challenge bloc moral and intellectual legitimacy that the hegemonic arrangement was unable to assimilate and conquer ideologically.<sup>728</sup> Similarly, disagreement and debate developed within the military around contradictory interpretations of *Pancasila* and its derivatives' true meaning and intent as military doctrine as well as its socio-political relevance. The bloc's inability to assimilate and conquer the alternative ideological/doctrinal values and interests that came to undermine ABRI's former cohesion and loyalty resulted in the military refusing to prolong Suharto's Presidency and his New Order regime in the face of hegemonic decay and obsolescence.

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<sup>728</sup> Chapter 1, section 1.9.2, p. 46.

## Chapter 6

### ***The Suharto New Order as a Gramscian historic bloc: its ideological form, the ideological bloc***

Having rejected Marx's emphasis on materialist determinism's economic imperatives Gramsci sought an explanation for the control the capitalist state held over its people from within the nature of ideology when firmly institutionalised into society through a state's legitimate socio-political apparatus.<sup>729</sup> By tying social control to the hegemonic dissemination of ideology into mass consciousness across all spheres of social existence Gramsci acknowledged Marx's assertion that "it is not the consciousness of men that determines their existence, but their social existence that determines their consciousness".<sup>730</sup> This chapter discusses the Suharto New Order historic bloc's ideological form that depicts the means by which the state ideology *Pancasila* and its derivatives were disseminated into Indonesian society, but it is first necessary to reiterate the relevant elements of the Gramscian ideological model being tested in the thesis. In essence a Gramscian ideological bloc represents the ideological form of the historic processes by which the dominating class's moral and intellectual hegemonic legitimacy is maintained through the predominantly consensual dissemination of ideology into the mass consciousness. The evolving hegemonic order is framed and sustained through the endeavours of hegemony's organic intellectuals convincing subordinate groups to actively support their own domination. Gramsci's organic intellectuals (professional soldiers, economists and religious teachers and such like) perform this role by actively taking part in all socio-political affairs hence ideology overlaps all three economic, political, and ideological blocs.<sup>731</sup>

What is specific about Gramsci's model of hegemonic order is the way it incorporates ideology. A ruling social class is seen to have assumed a hegemonic role only when its organic intellectuals have articulated and proliferated, on the

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<sup>729</sup> Chantal Mouffe, (Ed.), *Gramsci and Marxist Theory*, (Routledge and Keegan Paul, London, 1979), pp. 187-9.

<sup>730</sup> K. Marx, *A Contribution to the Critique of Political Economy*, (Progressive Publishers, Moscow, 1970), pp. 20-1.

<sup>731</sup> V. Gerratana, (Ed.), *Antonio Gramsci, Quaderni del carcere*, Vols. 1-4, (Einaudi, Turin, 1975), p. 37.

regime's behalf, ideological belief systems that are accepted as universally valid by the general population.<sup>732</sup> Gramsci viewed ideology as "an expression of culture" specifically designed to promote the interests of a particular class in attaining their collective moral and intellectual acceptance within mass society.<sup>733</sup> By disseminating its dominant ideology throughout mass-based society through effective leadership the dominant class is deemed to have achieved the ideological legitimacy of its rule.<sup>734</sup> Having transformed itself into a "political force of national standing" through national acceptance of its ideological legitimacy a ruling class has achieved true hegemony.<sup>735</sup> In employing ideological systems to maintain its leadership, it is also necessary that the ruling order lead its allies and dominate its opponents through processes that reflect the Gramscian imperative of balanced coercion and consensus without the former dominating.<sup>736</sup> A class remains hegemonic only so long as the ruling order is able to sustain subordinate consent to these processes.

In Gramscian terms, the Suharto New Order bloc's ideological form was defined by the powerful symbolism the state was able to evoke over some three decades to portray the state ideology *Pancasila* in such a manner as to craft mass consciousness to the legitimacy of the regime's hegemony. Before explaining the relevant processes of ideological assimilation used, this chapter will examine the nature of Indonesian political ideology. The roles of the organic instigators and sustainers (including the ideological basis of the collective organic intellectual mass GOLKAR represented as the regime's instrument of political expression) of New Order intellectual and moral legitimacy will be outlined. How the Suharto New Order employed ideology as hegemonic discourse to underpin their legitimacy over three decades will then be explained by describing the three essential elements of the New Order ideological legitimacy: its moral and intellectual origins, the use of *Pancasila* as an enabling discourse of unity and cohesion and the regulatory measures *Pancasila*-based derivatives provided to sustain consensus to regime moral and intellectual legitimacy. Section 1 examines the origins and consolidation of the

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<sup>732</sup> Benedetto Fontana, *Hegemony and Power; on the Relationship Between Gramsci and Machiavelli*, (University of Minnesota Press, London, 1993), p. 140.

<sup>733</sup> Walter L. Adamson, *hegemony and Revolution: A Study of Antonio Gramsci's Political and Cultural Theory*, (University of California Press, London, 1980), pp. 170-1.

<sup>734</sup> Translated by Quinton Hoare and Nowell Smith, (Eds.), *Selections from the Prison Notebooks of Antonio Gramsci*, (Lawrence and Wishart, London, 1971), pp. 57-8.

<sup>735</sup> Luciano Pellicani, *Gramsci: An Alternative Communism?*, (Hoover Institute Press, Stanford, 1981), p. 30.

<sup>736</sup> Anne Showstack Sassoon, *Gramsci's Politics*, (Croom Helm, London, 1980), p. 122.

ideological basis of New Order society, the ABRI's doctrinal and ideological attitude towards Islam, and the use of *Pancasila* and its derivatives as the discourse of national unity and consensus. Section 2 discusses the methodology of ideological reaffirmation during the 1980s and 1990s in the face of contradictory ideological representation and challenge from a resurgent Islam. Sections 3, 4 and 5 examine three competing interpretations of *Pancasila* during the 1990s; from those responding to the President's invitation for socio-political debate, from a range of social constituencies and from the regime's organic constituencies that necessitated bloc ideological realignment and assimilation. Section 6 discusses the consequences of organic ideological reaffirmation in response to diverse and contradictory ideological renderings and section 7 summarises the extent to which the Suharto New Order Order's ideological arrangement of Indonesian life matches the Gramscian model of ideological hegemony and hegemonic order.

## ***1. The New Order ideological control***

### ***1.1 Origins***

Working through the Japanese sponsored committee investigating Indonesian independence during the closing stages of World War II the early independence leaders, the soldier Sukarno and the civilian Hatta, faced determined resistance to their inclusive vision of a secular-nationalist independent Indonesia from those promoting an Islamic state. Debate split the committee but power tipped towards the secular-nationalists when *Pancasila* was accepted as the operating concept for future Indonesian independence and that the new state be based on 'belief in God' but not 'exclusionary' Islamic became fundamental to Sukarno's agenda. The Republic's founding fathers envisaged a fully integrated state, what they called an 'integralist' state and rather than the primary emphasis resting on an individual's rights (thereby critically limiting the government's powers of intervention) the state would emphasise social obligations and the greater societal good over individual rights thereby enabling the state and society to co-exist as an organic singularity. Some fifteen years later, offering the potential of an all-embracing national ideology upon which a national will could be constructed that would support, albeit remain subordinate to their developmental vision, Suharto and his generals saw in *Pancasila* an ideal opportunity. *Pancasila* provided the New Order generals with a set of unifying principles (binding

glue) that could underpin the ideological authority central to their integrated state concept. Diffused rigidly throughout New Order society as the state's official ideology, *Pancasila* would enable the construction of societal consensus around the ideological conformity that the regime believed to be a vital pre-requisite to their vision of Indonesian society.<sup>737</sup> Sukarno had regarded *Pancasila* as little more than a set of vague beliefs, but differing interpretations of the concept evolved to underpin first his, and then later his successor Suharto's, vision of a prosperous and stable society.<sup>738</sup> In the New Order's view, the most significant of the concept's tenets was *Pancasila's* fourth principle that defined a quest for a form of politico-economic democracy that would bring socio-political development and economic prosperity to all Indonesians. Under the New Order and notwithstanding *Pancasila's* promise, the egalitarianism implicit in the doctrine gave way to the regime's profound disinclination towards becoming a mere neutral servant of the state.

ABRI's culture of command over civilians that came to permeate New Order life had evolved largely out of the military training the early nationalists received under the Japanese, no great supporters of civilian government themselves, and later the high degree of autonomy from civilian authority field-commanders experienced during the independence struggle against the Dutch. The timidity of the interim civilian government towards the Dutch also hardened military doubt about civilian government and the paltry returns from liberal democracy during the late-1950s before President Sukarno established his Guided Democracy confirmed the military belief that civilian governance was inherently weak. It was hardly surprising that ABRI came to involve itself heavily in politics. As Crouch put it, having proved their indispensability during the independence struggle and in the national crises of widespread rebellion and opposition to centralised Javanese control during the early years, the army leadership felt it had "underpinned its claim" to a permanent role in government.<sup>739</sup> *Pancasila's* original 1945 interpretation provided an appropriate set

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<sup>737</sup> Michael R. J. Vatikiotis, *Indonesian Politics Under Suharto: The Rise and Fall of the New Order*, (Routledge, London, 1998), p. 105.

<sup>738</sup> J. W. Rich, *Asia's Modern Century*, (Longman, Croydon, 1969) p. 79.

<sup>739</sup> Harold Crouch, *The Army and Politics in Indonesia*, (Cornell University Press, Ithaca, 1978).

of national ideals that embodied in a state ideology evolved to represent an intellectual and moral basis for ABRI's socio-political authority.<sup>740</sup>

The New Order socio-political arrangement intended Indonesia to be a religious state and, notwithstanding Islam's preponderance, one in which adherents of all religions, including Islam, could fulfil their respective religious obligations. By interpreting and representing the state doctrine to depict political Islam as an enemy of *Pancasila* (and by implication an enemy of the state), the New Order ideologically marginalized the majority of its citizens. The New Order's appropriation of *Pancasila* may have deviated from its original intent and meaning but as unifying discourse it successfully created sufficient political stability to enable spectacular economic growth, relative societal stability and, in general, materially benefited a large proportion of the Indonesian people. Pervading virtually every aspect of Indonesian socio-political and ideological discourse and transcending all faiths, *Pancasila's* social value came from its emphasis on tolerance, particularly on matters of religion. The doctrine's effectiveness as moral/intellectual (ideological) discourse derived from its ability to co-opt those Islamists who wanted an Islamic state into consenting to a secular-nationalist state and, as such, the necessary ideological pillar around which the New Order regime could construct its vision of a unitary Indonesian state. As well as favouring the bias upon which the regime built its relationship with Indonesian society to legitimise its moral/intellectual leadership, the New Order's exclusive representation of the doctrine also rejected Western-liberal forms of democracy as deviating from *Pancasila's* true intent.<sup>741</sup>

In a state address on August 16, 1967, General Suharto detailed the key role that his New Order would attribute to *Pancasila* in negotiating Indonesian society's ideological conformity.<sup>742</sup> At the time Sukarno was under house arrest and Suharto, as acting-President, was still tentatively establishing a somewhat fragile authority over his fellow generals while trying to ensure the constitutional legitimacy

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<sup>740</sup> Mochtar Pabottingi, 'Indonesia: Historicizing the New Order's Legitimacy Dilemma,' in Muthiah Alagappa, *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*, (Stanford University Press, Stanford, 1995) p. 224.

<sup>741</sup> Douglas E. Ramage, *politics in Indonesia: Democracy, Islam and the Ideology of Tolerance*, (Routledge, London, 1995), p. 27.

<sup>742</sup> The State address was given before a session of the Interim People's Representative Council, translated from an official government transcript, and reproduced in David Bourchier and Vedi R. Hadiz, (Eds.), *Indonesian Politics and Society: A Reader*, (Routledge Curzon, London, 2003), pp. 37-41.

of his challenge for the Presidency. As he outlined it, *Pancasila* would play the key role of underpinning the legitimacy of his and his fellow generals' new socio-political order. The form of democracy that Indonesians were going to live by would be a *Pancasila* derivative *Pancasila demokrasi* based on the 1945 Constitution's basic laws and norms. Suharto's new socio-political arrangement would require "nothing less than the ordering of the entire life of the people, nation and state ... returned to the pure implementation of *Pancasila* and the 1945 Constitution."<sup>743</sup> Essentially, the oppositional form of politics that typified liberal democracies would be "unknown in the life of *Pancasila demokrasi*."<sup>744</sup> Suharto thus clearly ordained the authoritarian nature of the regime that would dominate Indonesian life for some three decades. As he pointed out, firmly established in the nation's "philosophy of life [and] collective ideology" as the ideological *raison d'être* of every political party and organisation, *Pancasila* would provide the New Order's moral and intellectual legitimacy.<sup>745</sup>

Suharto left no doubts as to the role *Pancasila* would play in ensuring societal stability: having sharpened ideological differences and caused "conflict and suspicion" the "Sukarno-era physical compartmentalisation of party groupings" would be discarded.<sup>746</sup> In his regime's construction of socio-political life around the principles of *Pancasila demokrasi*, ABRI would be the functional group that would play the "active role in protecting and upholding *Pancasila* and the 1945 Constitution".<sup>747</sup> Suharto pointed out that ABRI would not impose a military dictatorship against the people's will because the sacred soldiers' oath swore allegiance to ABRI functioning primarily as the paramount defender of *Pancasila* and the 1945 Constitution on behalf of the people. In conclusion, Suharto pointed out that a just and prosperous society could only be achieved if *Pancasila* underwrote society's material and spiritual basis through voluntary and unselfish sacrifice by "relevant individual or group interest[s] for that of society and the nation".<sup>748</sup>

In a keynote speech to the Indonesian General Assembly in mid-1977 the New Order's representation of *Pancasila demokrasi* was reiterated by Minister of

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<sup>743</sup> Bouchier and Hadiz, (2003), p. 37.

<sup>744</sup> Bouchier and Hadiz, (2003), p. 38.

<sup>745</sup> Bouchier and Hadiz, (2003), p. 39.

<sup>746</sup> Bouchier and Hadiz, (2003), p. 39.

<sup>747</sup> Bouchier and Hadiz, (2003), p. 40.

<sup>748</sup> Bouchier and Hadiz, (2003), p. 41.

Information Mashuri.<sup>749</sup> An early Suharto confidante and New Order Director of Higher Education, Mashuri explained the New Order's official approach to the doctrine and how it would be deployed socio-politically. The regime's development efforts at the time, he argued, faced three problems: maintaining national growth, coping with societal stability, and guaranteeing national survival.<sup>750</sup> Only *Pancasila demokrasi* built totally upon the "pure precepts of the 1945 Constitution and *Pancasila*, rooted in Indonesia's value system" had the capability of mobilising society behind resolving Indonesia's problems.<sup>751</sup> The characteristics of liberal democracy as understood in some countries, he claimed, had evolved out of different cultural values to those existing in Indonesia and were thus inappropriate to the problems facing Indonesia's modernisation. Because the principle of consensus was more appropriate to Indonesian culture than the idea of absolute majority vote, the political paralysis that had been experienced under the earlier Sukarno regime (first by parliamentary democracy and then by Guided Democracy) could only be prevented from recurring through the type of political participation defined within *Pancasila demokrasi*. Clearly Indonesian political and cultural realities required a different process of public decision-making, Mashuri explained, and traditional Indonesian conventions about the incompatibility of "institutions of opposition" with a culture of consensus-building justified his government's interpretation and representation of the doctrine.<sup>752</sup> In a reference to the socio-political situation in South Vietnam and the situation of emergency that still existed in Indonesia, Mashuri suggested that an opposition culture was clearly not rooted in Indonesian tradition and therefore too risky.<sup>753</sup>

While the New Order employed *Pancasila demokrasi's* unique Indonesian characteristics to corroborate its ideological and moral authority, the doctrine nonetheless carried some genuinely democratic logic. The New Order generals believed that their revolutionary exploits during the early years of independence had earned them the right to take action on behalf of the people as they saw fit and be the final arbiters in protecting *Pancasila* from any individual or group

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<sup>749</sup> Mashuri's speech to the General Assembly of the MPR, Republic of Indonesia, June 20, 1977 published as '*Pancasila Democracy*' *The Indonesian Quarterly*, Vol. V, No.4, October, 1977, pp. 32-47.

<sup>750</sup> Mashuri, (1977), p. 44.

<sup>751</sup> Mashuri, (1977), pp. 43-4.

<sup>752</sup> Mashuri, (1977), p. 35.

<sup>753</sup> Mashuri, (1977), p. 37.



whose actions were contrary to their singular yet egalitarian perception of the doctrine's true meaning and intent.<sup>754</sup> Ironically, the ideological legitimacy the New Order drew from *Pancasila* came under challenge during the early 1980s and increasingly debated during the 1990s as various groups took advantage of a more open socio-political environment to use the language of *Pancasila* itself to question the regime's hold over the doctrine's meaning and articulation. While Islam's resurgence and the growth of Islamic cultural identity during the 1980s found it difficult to coalesce into a cohesive opposition, growing calls from Islam and other reformist elements for a more realistic participatory role in political life presaged a real and serious challenge to the New Order's ideological coherence. With the New Order position resting upon Indonesian society totally accepting *Pancasila* as intellectually and morally legitimising their authority, any questioning of the doctrine's meaning represented a challenge to the regime's organic ideological basis.

## ***1.2 Organic and traditional intellectual consolidation***

### ***1.2.1 Organic secular modernisation***<sup>755</sup>

Following Sukarno's ousting and the political and ideological annihilation of the PKI, the most coherent political voices remaining to influence the still insecure, predominantly Javanese, secular-nationalist New Order leadership, were those of a loose grouping of intellectuals that Liddle describes as the "secular-modernisers".<sup>756</sup> Evolving out of the conservative remnants of the PNI, surviving socialists and an increasingly confident amalgam of secular student-based groups, the secular-modernists came to be known as the '1966 generation' intellectuals. In the aftermath of the 1965 coup they propounded a post-Sukarno socio-political ideology built upon a Western-assisted industrial economy, an egalitarian society, and a pluralist model of activist state founded on democratic principles.<sup>757</sup> Arguing the need for modernisation, their views dominated public discussion for several years after the coup in a generally free intellectual environment of a media relatively

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<sup>754</sup> R. William Liddle, 'Coercion, Co-optation and the Management of Ethnic Relations in Indonesia' in Michael Brom and Sumit Ganguly, (Eds.), *Government, Politics and Ethnic Relations in Asia and the Pacific*, (MIT Press, London, 1997), p. 294.

<sup>755</sup> This section draws much from R. William Liddle's essay 'Modernising Indonesian Politics' in Liddle (Ed.), *Political Participation in Modern Indonesia*, (Yale University Southeast Asian Studies, New Haven, 1973), pp. 177-206.

<sup>756</sup> Liddle, (1973), p. 178.

<sup>757</sup> Liddle, (1973), pp. 181-7.

unencumbered by government control. The concept of modernisation they offered the new national planners suggested co-operation with the industrialised West in an atmosphere of socio-political order and rational economic planning. The predominantly urban grouping lacked any great understanding of rural Indonesia but did attract influential support from among the senior officer corps preoccupied with fears of the potentially destructive power of Indonesia's uneducated and unsophisticated masses.<sup>758</sup> Taking early comfort from the new regime's seemingly strong commitment to the idea that economic development would be impossible without modernisation, during the first few years following the coup the secular-modernisers launched a spirited public attack on any impediments to modernisation and development.

The main target for their intellectual criticism was the political system itself claiming that in the past political parties had failed to promote modernisation because strategies had been ideological rather than programmed, the implication being that Islam's divisive influence had retarded progress. The secular-modernisers argued that political parties had exacerbated ideological tensions between *santri* and *abangan* at both the elite and mass levels and, by searching for organisational loyalty out of grass roots society, the parties themselves had compounded sectarian tensions with disastrous results. In particular they attacked the self-seeking opportunism of political party leaders that isolated themselves from the broader interests of their assumed constituencies. They claimed that, as well as the detrimental influence of the intrusive bureaucracy, the sheer multiplicity of political parties had been the principle reason for parliament's general instability and inability to reach agreement on important issues. But while opposed to the form of control the Sukarno regime had exercised over every aspect of socio-cultural life the secular-modernizers could not envisage successful economic development without firm policy guidance, planning, and implementation. They were hinting strongly at the need for authoritarian controls and initially they even welcomed a close working relationship with ABRI conceding that as the military was vital to stability there was little alternative to co-operation with them in the short term.<sup>759</sup>

The secular-modernizers' most urgent priority was to reform the political system and they argued for a two-party system. A one-party system, they felt, would

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<sup>758</sup> Liddle, (1973), p. 179.

<sup>759</sup> Liddle, (1973), p. 185.

be undemocratic and lead to a society dominated by politics while the multi-party system they blamed for the problems of the past, was even less acceptable. A two-party system, they argued, would eventually encourage programmatic rather than ideological politics and thus lead to more stable governance. Given the extent to which the old parties remained ideologically entrenched in the villages, they acknowledged that transforming mass political culture would be an enormous problem requiring a mammoth education program of some kind to overcome. President Suharto agreed to an election in 1971 but the secular-modernisers saw major problems in the inevitability of a two-party system emerging around coalitions of secular-nationalism and *politika-Islam*. They could not see the habit of supporting political parties on traditional grounds being broken in a single election campaign and the likely parliamentary dominance by two such coalitions could set the stage for potentially disastrous Muslim versus anti-Muslim conflict.<sup>760</sup>

It was therefore clear to the secular-modernisers, and a growing number of their military associates, that some new form of political arrangement strongly committed to modernisation needed to be created before the 1971 elections. Grave concerns were being voiced within the military over deteriorating domestic stability leading them to support the moderniser's view that political stability and economic progress could only be achieved by some form of alternation in power between two non-ideological political parties committed to programmed industrialisation and economic development.<sup>761</sup> The two-party system promoted by the secular-modernisers was poorly co-ordinated and in late 1969 the Ministry of Home Affairs silenced debate by firmly pointing out that the issue would be settled in the nation's interest by the Executive office. As a lobby-group the secular-modernisers slipped outside the power elite, the substance of their ideas were taken from them, and much of their influence lost. Many found new, albeit subordinate, organic roles as organisers and spokesmen for GOLKAR, the new political party bolstered by the regime to contest the first New Order elections in 1971. Although the secular-modernisers lost most of their political influence the regime assigned many of them new roles as technocrats and advisers, firmly subordinated to, and charged with,

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<sup>760</sup> Liddle, (1973), pp. 191-2.

<sup>761</sup> Liddle, (1973), pp. 192-195.

facilitating the new politico-economic alliance being built between the military and foreign and selected indigenous (predominantly Sino-Indonesian) capital interests.<sup>762</sup>

### ***1.2.2 The military and traditional intellectual challenge from Islam***<sup>763</sup>

The New Order generals remembered the ongoing Islamic-supported armed struggle during the Guided Democracy period between 1955 and 1966 and they were convinced that allowing any ideological disagreement with the state's secular-nationalist philosophical basis (its *dasa negara*) promised dire consequences. Until ended brutally by the military in 1962 the *Darul Islam* revolts convinced the officer corps that the extreme right offered the only likely serious challenge to the regime and reinforced *Pancasila* in the minds of many providing ABRI and others among the ruling elites with the justification for some forty years of anti-Islamic politics, thinking, and behaviour.

The ABRI leadership was aware that the most likely ideological challenges to their agenda would come from two sources; from communism on the extreme left (*ekstrem kiri*) or from political Islam on the extreme right (*ekstrem kanan*). The threat from the left was to all intents and purposes removed by the time General Suharto took power. Javanese Muslims played a major, and unabashedly enthusiastic, role in the slaughter of over half a million suspected communists and their supporters but the carnage served to remind the new leadership of the destabilising potential inherent in mobilising sectarian interests. Having removed the threat from the left it remained for Suharto and his generals to concentrate their attentions on neutralising any potential threat from Islam. Adamant from the outset that an Islamic state would be a disaster, the regime effectively depoliticised Islam and through doctrine encouraged the creation of a predominantly Javanese/*abangan* officer corps that included Christians, Hindu Balinese, and other non-Muslims.<sup>764</sup> Greatly disappointing Islamic political pretensions, considering how rural Javanese Muslims had assisted in the anti-

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<sup>762</sup> Richard Robison, 'Towards a Class Analysis of the Indonesian Military Bureaucratic State,' in *Indonesia*, Number 25, April, 1978, p. 17.

<sup>763</sup> This section draws much from R. William Liddle's essay published in James Rush and Mark Woodward's *Intellectual Development in Indonesian Islam*, (Tempe, Arizona State University Center of Southeast Asian Studies, 1995).

<sup>764</sup> R. William Liddle, *Leadership and Culture in Indonesian Politics*, (Allen and Unwin, Sydney, 1996), p. 275.

communist pogroms of 1966/7, Suharto and his generals peripheralised *politika-Islam* until the mid-1980s and adhered to a strict policy that on the one hand encouraged Islamic piety while on the other oppressed all forms of direct Islamic political activity.

As discussed above, Indonesian Islam was split by both an *abangan/santri* dichotomy reflecting degrees of religious piety and rivalry between Islamic modernist and traditionalist intellectual strains. Less rigid ideologically and more accommodating than its modernist rivals, the traditionalist *Nahdlatul Ulama* (NU) centres upon the activities and guidance of its religious scholars and throughout the New Order NU leaders remained adamant that Indonesia need not necessarily be an Islamic state. When, from the early 1980s, NU leader Wahid openly challenged the regime's interpretation of *Pancasila* his concern had more to do with *Pancasila*'s unilateral interpretation than the doctrine's actual content. In terms of NU's 'accommodation' towards *Pancasila* in its purest meaning it is therefore unsurprising that the rival modernist Islam of *Muhammadiyah* offered more potential for ideological challenge to the doctrine's deterministic implications. Whereas the traditional Islam offered by NU regarded faith as a private matter subject to the norms of social interaction and behaviour and compatible with the tenets and requirements of New Order *Pancasila*-ist society, modernist *Muhammadiyah*'s firmer adherence to scripture inevitably placed modernist Islam on a collision course with the regime's idea of a secular-nationalist state. The regime's subsequent contradictory support for the modernist intellectual association ICMI during the early 1990s, and the opportunity for patronage to manipulate and influence modernist Islamic thought the linkage offered the regime, while representing a significant turning point in the regime's relationship with Islam, needs to be viewed primarily in terms of the New Order refurbishing their ideological legitimacy.

### ***1.2.3 ABRI and dwi fungsi's organic implications***

Determined from the early independence years that the Indonesian state not be an Islamic theocracy, the military leadership wanted a state that would evolve into a stable society based on belief in God, but one in which all religious adherents, including Muslims, would be able to fulfil their respective religious obligations. Pursuing the societal stability so seriously lacking during the problematic post-independence years preoccupied the regime with re-inventing the state ideology *Pancasila* to provide, particularly in religious matters, social and ideological value

through the doctrine's emphasis on tolerance. The almost constant Islamic-supported armed struggles and insurrections of the early period clearly demonstrated the dire consequences of any mass-based ideological disagreement with *Pancasila's* implicit endorsement of the state's secular-nationalist philosophical basis and convinced Sukarno and his generals of the need to exploit the doctrine's potential ideological value as a counter to a politicised Islam.

Refusing to be anything but political the generals staked their early claim to a permanent role in Indonesia's governance by institutionalizing General Nasution's 'middle way' concept into the ideologically-based military doctrine of *dwi fungsi*.<sup>765</sup> Derived from *Pancasila demokrasi's* unique system of "governance through ideological conformity" the doctrine's 'twin-functioned' characteristics effectively institutionalized ABRI's pre-eminent role over Indonesian life.<sup>766</sup> Furthermore, enshrined in the sacred soldier's oath (*Sapta Marga*) as the very essence of national unity (a 'total way of life'), *Pancasila* and *dwi fungsi* legitimised ABRI's moral authority as self-proclaimed defenders of the nation's values.<sup>767</sup> Ideologically and doctrinally central to *dwi fungsi* was the idea of an integrated society defined by the primacy of social obligations implicit in *Pancasila* that carried clear socio-political implications in legitimising top-down approval of ABRI's self-appointed role as defenders of a non-communist, non-Islamic, unitary state through an enforced framework of ideological conformity.

*Dwi fungsi* enabled military intervention into all aspects of Indonesian socio-political life and in the name of national security the doctrine empowered officials of the Department of Defence and Security to monitor the activities and inclinations of all social organisations at every level of society. A parallel territorial command structure separated the archipelago into ten regional commands that facilitated further penetration into society by enabling local military personnel to oversee all regional affairs and intervene when necessary to ensure ideological conformity and adherence to central policy. *Dwi fungsi's* tenets extended direct

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<sup>765</sup> Crouch, (1978), pp. 45-52.

<sup>766</sup> In describing the use of *Pancasila* as an adjective in this way Liddle justifies himself on the grounds of indigenisation departures from democracy as practiced in the West. As he understands the practices of Indonesian society to be distinct from Western society he argues that Indonesia needs its own practices and institutions appropriate to their specific needs. R. William Liddle, 'A Useful Fiction: Democratic Legitimation in New Order Indonesia,' in R. H. Taylor, (Ed.), *The Politics of Elections in Southeast Asia*, (Cambridge University Press, Cambridge, 1996), pp. 34-60.

<sup>767</sup> Ramage, (1995), p. 126.

control by enabling the routine placement of active duty army officers in key state bureaucratic positions and departments that often had little to do with military affairs. For most of the New Order, active duty and retired military officers occupied up to half of the regional governorships and vice-governorships as well as a similar proportion of district heads at the next level of authority.<sup>768</sup>

### ***1.3 Pancasila as ideological discourse and the balancing of coercion and consensus to reaffirm ideological conformity***

The legitimacy of New Order moral and intellectual leadership depended on society's general acceptance of the regime's representation of the official state ideology *Pancasila*. An array of coercive and consensual devices provided the means to sustain this situation and the 'enabling' mechanisms doctrinal and ideological interpretations provided are the subject of this section. Specific to the nature of New Order ideological legitimacy was *Pancasila* and its derivatives' exclusive use and regular reinforcement through ideological discourse. While primarily devised to create societal unity the processes also provided the means to effectively neutralise potential ideological challenge and particularly that of Islam. While the purity of *Pancasila*'s Five Principles and their appeal to the common will, coupled with virtual systemic corruption and unabashed nepotism, provided the consensual aspects of New Order domination, counter-balancing coercive imperatives found legitimacy through ABRI's direct doctrinal linkage to the Constitution, *Pancasila* and *dwi fungsi*. In its search for social conformity and stability the New Order employed the range of policies detailed in Chapter 4 to balance coercion and a sufficiency of "persuasion, exchange, and co-optation" yet the regime also required a continuous source of income surplus for redistribution among those within state and society to co-opt those whose support was deemed vital to fulfilling regime developmental goals and agendas.<sup>769</sup>

While organically hardening the moral and intellectual legitimacy of the power structure, the resources of ideological persuasion ultimately roused opposition from, initially, the ideologically traditional intellectuals of Islam and later, a mix of

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<sup>768</sup> Liddle, (1997), p. 292.

<sup>769</sup> R. William Liddle, 'Coercion, Co-optation, and the Management of Ethnic Relations in Indonesia,' in Michael E. Brown and Sumit Gnguly, (Eds.), *Government Policies and Ethnic Relations in Asia and the Pacific*, (The MIT Press, London, 1997), p. 289.

formerly organic and traditional intellectuals from both inside and outside Islam that were promoting various conflicting visions of reform and change. ABRI and intra-Islamic dynamics thus respectively imposed upon the processes of ideological conformity influences that both reaffirmed and contradicted the regime's use of *Pancasila* and its derivatives. The most effective institutionalised symbol in regulating and reinforcing socio-political control and ideological conformity within *Pancasila demokrasi's* all-embracing system of governance was ABRI's *dwi fungsi* doctrine but other instruments were also employed.

### 1.3.1 *Sara*

Popularised by the highly-censored Jakarta press during the early 1970s was the ideological reaffirmation represented by the acronym *SARA*. As discussed in Chapter 2, section 3.2.2, p. 79, the term described a range of sensitive socio-political issues (ethnicity, religion, race, and the curious term 'among groups' that referred to 'class conflict') considered by the regime to be too sensitive for public discussion or employed under any circumstances to mobilise social action.<sup>770</sup> *SARA* referred to those groupings within society considered potential sources of ideological conflict and if mobilised likely to represent a threat to regime authority.<sup>771</sup> The fourth letter's reference to *antar golongan* (conflict 'among groups'), while somewhat ambiguous, referred to the particularly troublesome and sensitive divisions that had carried over from the early days of independence between soldiers, civilians, and social classes and might find an outlet in opposition to *dwi fungsi*.<sup>772</sup> The issues represented by the acronym were particularly off limits during New Order election campaigning because of a fear they might arouse communal violence. Loosely grouped within the taboo areas covered by *SARA* were such tendencies as questioning the state ideology *Pancasila* or the 1945 Constitution, promoting socialist or Marxist thought, calling for an Islamic state, and anything else that could be considered socio-politically offensive around the sensitive subject of religion.<sup>773</sup>

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<sup>770</sup> Editorial *Kompas*, July 15, 1974.

<sup>771</sup> *S* stands for *suku* (ethnic groups), *a* for *agama* (religions), *r* for *ras* (races), and *a* for *antar golongan* (referring to conflict 'between groups').

<sup>772</sup> Donald K. Emmerson, *Indonesia's Elite: Political Culture and Cultural Politics*, (Cornell University Press, London, 1976), pp. 224-5.

<sup>773</sup> Kees van Dijk, *A Country in Despair: Indonesia Between 1997 and 2000*, (KITLV Press, Jakarta, 2001), p. 4.



### 1.3.2 *The 1973 realignment of the political party system*

Completing the New Order's socio-political arrangement of society channelling religious political expression was the 1973 redesigning of the electoral laws, essentially a strategy of "organisational co-optation", that gave the government political party GOLKAR a commanding electoral position as the official state party.<sup>774</sup> Concerned that an upsurge in Islamic political discourse was taking advantage of the new regime's preoccupation with establishing its socio-political agendas and fearing Islamic political challenge, the New Order dismantled the old political party system. The forced amalgamation of the remaining parties into politically manageable groupings, to restrict religious and nationalist inclinations within a controlled electoral environment, severely proscribed independent political activity. The process left GOLKAR dominant and unchallenged and by combining the remaining political parties into two groups that adjusted and limited the political system in line with its vision of a de-politicised and de-ideologised mass politics, the regime effectively institutionalised *Pancasila demokrasi*. GOLKAR compulsorily included all civil servants and government employees including the military, and the PPP (*Partai Persatuan Pembangunan* or Development Unity Party) fused the Islamic parties into one entity. The PDI (*Partai Demokrasi Indonesia*) incorporated the old PNI (*Partai Nasional Indonesia* or Indonesian National Party that had been identified primarily with upper-class syncretic Javanese) together with the two small nationalist parties and the two Christian parties into a grouping that shared a general opposition to militant Islam. Liddle suggests that the regime's reconstructed party system was designed to offer the PPP as the "spiritual aspiration" of the people, the PDI as reflecting the people's "material aspirations", with the state party GOLKAR a "harmonious joining" of the two.<sup>775</sup> The forced infusions of the nine pre-New Order parties into the PDI and PPP gave the regime complete control over the entire party system. In terms of tightening organic ideological cohesion, the 1973 rationalisation of the political-party system uncompromisingly institutionalised *Pancasila demokrasi*, emasculated Islam as a parliamentary force and guaranteed that the parliamentary process remained controlled by the heavily ABRI-infiltrated, strongly secular-nationalist, GOLKAR party.

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<sup>774</sup> Liddle, (1997), p. 302.

<sup>775</sup> Liddle, (1997), p. 303.

### 1.3.3 *Pancasila refresher courses: P4*

Ideological conformity tightened further in 1978 when, in an extraordinary move, the People's Consultative Assembly (MPR) agreed to force all civil servants below the rank of Cabinet Minister to attend a series of *Pancasila* refresher workshops, or upgrading courses, called P4 administered by specially-trained civil servants.<sup>776</sup> As discussed in Chapter 2, section 3.2.4, p. 81, attendance was not only compulsory, but proved immensely disruptive and costly due to the absence of civil servants attending the courses from work and missing one day of the two-week courses required employees repeating the course from the beginning. The initiative came from the highest levels of the executive and suggested the regime believed that a general reaffirmation of the state ideology was necessary. The P4 program was taken extremely seriously and neither illness nor family bereavement was sufficient excuse to merit non-attendance. The compulsory nature of the courses and their obvious costs indicated the seriousness the regime attached to reaffirming ideological unity and, thus, its own moral and intellectual legitimacy. The programme's overall purpose appeared to be to remind those charged with overseeing New Order agendas that the regime's interpretation of *Pancasila* was a sensible and rational formulation based upon traditional Indonesian (or certainly Javanese) philosophies of life. It is difficult to disagree with Morfit's observation that, in terms of hegemonic rejuvenation, P4 represented the "clearest and most self-conscious articulation" of the New Order's ideological vision for Indonesian society to date.<sup>777</sup>

While the MPR stressed P4's purpose as enhancing civil service understanding and enthusiasm for their employer's development programs, P4 also reminded the civil servant and bureaucrat classes in general of the importance the New Order attached to *Pancasila* as the ideological basis of its policies and agendas. Moreover, while the program further re-affirmed ABRI's role as the driver of ideological security (and thus social harmony) to sustain development, P4's overt conservatism also suggested that the regime was little inclined to changing the social order in the near future. As such, P4 offered *Pancasila* as an ideology of containment

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<sup>776</sup> Called P4 courses, being a contraction of the full Indonesian name which translates as 'Upgrading Course on the Directives for the Realisation and Implementation of *Pancasila*.'

<sup>777</sup> Michael Morfit, '*Pancasila: The Indonesian State Ideology According to the New Order Government*,' in *Asian Survey*, 21/8 July-December, 1981. Morfit was a researcher for the Ford Foundation in Jakarta during the running of the state P4 program.

and socio-political unity rather than one of mobilisation.<sup>778</sup> The President himself was believed to be the driving force behind the indoctrinisation program and although making little public comment beyond conventional explanations, during an address to Army commanders at *Palanbaru* in early 1980 he took the opportunity to remind his audience that *Pancasila* demanded a close relationship between ABRI and the regime's political vehicle GOLKAR. Obviously referring to approaching general elections he reminded ABRI that strongly supporting GOLKAR maintained and strengthened the supremacy of 'their' state ideology.<sup>779</sup> The President was reminding the military elite that *Pancasila's* implicit 'popular-participatory' social responsibilities gave ideological substance to ABRI's mobilisation behind GOLKAR.

#### **1.3.4 *Azas tunggal***

The final act in institutionalising ideological conformity, and discussed earlier in Chapter 2, section 3.2.5, p. 82, came during the early 1980s with the controversial *azas tunggal* initiative whereby socio-political ideological control was further tightened by demanding the two non-government political parties and all social organisations, including the two massive Islamic organisations, traditionalist NU and modernist *Muhammadiyah*, acknowledge *Pancasila* in their organisational charters as their principle *raison d'être*. Appropriate legislation, proposed in 1982 and formally adopted in 1985, stipulated that all political parties and socio-political organisations accept *Pancasila* as the sole philosophical basis of the state. In response to *azas tunggal's* forced acceptance debate during the late 1980s and into the 1990s was dominated by differing perceptions of the relationship between the state and Islam that challenged the basic tenets by which the New Order governed the nation. A dramatic attitudinal shift subsequently took place towards Islam at the highest levels of the regime. Given that one of the few remaining potential threats to the regime's hold over the political system during the early 1980s was the decision to continue holding parliamentary elections, *azas tunggal* had apparently been considered necessary to tighten control and limit even further the potential for partisan mobilisation. There nevertheless remained many alternative interpretations of *Pancasila* to confuse the issue and although the real meaning of the doctrine

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<sup>778</sup> Morfit, (1981), pp. 846-7.

<sup>779</sup> Editorial, *Asia Week*, 6:18, May 9, 1980.

continued to be contested, the regime held firm to its line as to what it intended the doctrine to represent.

NU's acquiescence to *azas tunggal* coupled with Wahid's 1984 decision to withdraw the organisation from active politics were both dramatic and momentous affairs but effectively moved traditionalist Islam to a new "political space" from which NU reformists were able to circumvent government control and manipulation "outside of elite politics".<sup>780</sup> Having relentlessly excluded Islamic politics for some two decades, *azas tunggal* enabled the regime to effectively tighten control over *Pancasila* to legitimise party political behaviour: Wahid's removal of NU and his massive personal following out of official politics was an act of frustration. Determined to offer an alternative vision as to how *Pancasila* might work for Indonesia, Wahid and other reformists were forced to challenge the New Order's hegemonic use of the state ideology from outside official politics where more freedom of movement and opportunity existed to participate effectively and compete intellectually. Ironically, NU's appropriation of *Pancasila* that challenged the regime's representation of the doctrine also 'inoculated' its leaders against accusations by the regime of being anti-*Pancasila*.<sup>781</sup> Believing democracy could only fail in an environment of intolerance and religious strife, Wahid and NU's *Pancasila* line that disavowed Islam as the basis of the state was a necessary socio-political compromise if a legitimate challenge to New Order hegemony was to be tolerated. While *azas tunggal* succeeded in gaining *Pancasila*'s formal acceptance by all political parties and social organisations, and as such effectively strengthening New Order ideological/intellectual control, there nevertheless remained a number of alternative interpretations of the state ideology to legitimise a questioning of its exclusive regime interpretation and use.

While *azas tunggal* gave the New Order tighter control over all state organisation and reinforced uniform acceptance of what the regime intended *Pancasila* to represent, the post-*azas tunggal* era nevertheless impacted upon the regime's use of the doctrine in contradictory ways that both reinforced and questioned the regime's grip on power. During the early 1990s New Order legitimacy was being

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<sup>780</sup> Siddiq points out in Ramage (1995) p.54, that NU could come to terms with *Pancasila* as its *azas tunggal* because it was a philosophy created by human beings and therefore inferior to the revelation that was Islam.

<sup>781</sup> Ramage (1995) p. 57.

buoyed by successful economic development and with all politics drawn about *Pancasila* ideological conformity had tightened. Under Wahid's direction traditionalist Islam was the most dynamic Muslim organisation in Indonesian society and, together with the accommodationist ICMI carrying Presidential support, earlier general discomfort with *Pancasila* among Muslims appeared to be easing. But ABRI's prominent and privileged position in Indonesian society was under question and doubts were increasingly being raised about the nature of the nation's governance and its leadership and both issues had *Pancasila* at their core. A new generation of Islamic intellectuals from NU, *Muhammadiyah*, and ICMI were trying to depict Islam as inclusive and democratic while not necessarily demanding its own state but the very nature of what was clearly a sectarian debate hinted at a return to mass-based Islamic politics. Such considerations suggested that a potential challenge to the regime was emerging and that it would be one based upon an alternative intellectual/ideological format to that underpinning the New Order.

## ***2. The 1980s and 1990s: organic reassertion, re-arrangement, inclusion, and traditional challenge***

While *Pancasila's* organic function was to legitimise regime leadership its worth as a morally and intellectually legitimate ideology of unity is directly related to its level of acceptance by the popular masses as generally reflecting consensus to the doctrine's regimist representation of society's best interests. As the ruling order's reinvention, *Pancasila* was fulfilling its organic imperative by justifying ABRI's self-professed socio-political role as protector of the New Order unitary state. But the doctrine also possessed a traditional intellectual logic that offered a unifying framework for Islamic social life, and consequently *politika-Islamic* regeneration that had the potential to question regime legitimacy. *Pancasila's* role as legitimising discourse was crucial to the Suharto New Order because consensus is the *only* moral and intellectual basis around which leadership can be legitimate. New Order authority needed to be based on the presumption that society generally believed that the regime occupied its dominant position over society legitimately but only through popular consensus can moral legitimacy be placed on the "extent and nature" of that

authority.<sup>782</sup> When Suharto and his generals took power and captured *Pancasila* to legitimise their socio-political agendas, the doctrine offered a logical approach to legitimising their new socio-political arrangement of Indonesian life. By offering the New Order leadership a schema that could underwrite ideological unity through intellectual and cultural control over what was clearly a potentially destabilising, complex and divisive society, *Pancasila* provided a very powerful instrument of legitimacy. Possession of a potentially unifying ideology, able to embrace the multiplicity of Indonesia's societal interests, provided the New Order with the means to actualise the stability essential for economic and social development.

ABRI doctrine, as it evolved under the secular-nationalist guidance of the military's Catholic military intelligence guru and Suharto confidant General Benny Moerdini, drove a remorseless *Pancasila*-ist line in meeting first the ideological challenges of the left (Communism) and the right (*politika-Islam*) and later in renewing the institution's doctrinal logic of self-justification. Moerdini's formulation of *Kewaspadaan* (socio-political vigilance) as doctrinal re-invigoration during the early 1980s reinvented the nature of threat to justify reasserting *Pancasila* through *dwi fungsi* to legitimise ABRI's ongoing socio-political and ideological oversight. As a counter to Islam's perceived socio-political resurgence during the early 1980s, *azas tunggal* had forced all societal groupings to acknowledge *Pancasila*'s primacy and *Kewaspadaan* effectively complimented *azas tunggal*'s ideological reaffirmation by tying responsibility for socio-political vigilance to the ideological status quo. By the end of the decade, acknowledging that liberal-democracy's global resurgence demanded broader political expression and debate, the President complicated the issue by initiating a *Keterbukaan* ('political openness') approach (an Indonesian version of the Soviet Union's *glasnost*) that appeared to contradict military *Kewaspadaan*.

As a doctrine of ideological tightening, *Kewaspadaan* clearly conflicted with *Keterbukaan*'s invitation for more ideological and socio-political opinion and debate. The implications of, on the one hand, ideologically-tightening military doctrine and, on the other, more open moral and intellectual debate and expression, demonstrated a profound ideological divergence between the President and ABRI. As the brainchild of the, by this time, discredited General Moerdani,

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<sup>782</sup> Joseph Femia, *Gramsci's Political Thought: Hegemony, Consciousness and the Revolutionary Process*, (Clarendon Press, Oxford, 1981), p. 42.

*Kewaspadaan* came to provide a rallying point for intra-military opposition to the President, but also roused considerable debate among civilians as to the New Order's representation of *Pancasila*. The doctrinal hardening *Kewaspadaan* represented also polarised elements within the officer corps as well as civilians around such issues as military professionalism and promotion, the relevance of *dwi fungsi* and, by implication *Pancasila*, to Indonesia of the 1990s.

The Islamic cultural resurgence of the mid-1980s also threatened likely political consequences that the President duly noted and quickly converted into political opportunity. His 1990 ICMI initiative, that provided modernist Islamic intellectuals a more prominent voice in socio-political affairs, placed further pressure on organic solidarity by seemingly questioning *Pancasila's* secular-nationalist credentials. As the 1990s evolved, the contradictory socio-political pressures emanating from within both ABRI and Islam polarised the debate around *Pancasila's* true meaning further and challenged the very basis upon which New Order legitimacy had been constructed for some quarter of a century.

The section below will first address the issues of *Kewaspadaan* and *Keterbukaan* in terms of ABRI's organic doctrinal reinforcement through the 1980s and 1990s to tie the institution firmly to *Pancasila* and *dwi fungsi* and their implications for subsequent intra-military cleavages and regime disunity. The section will also explain the co-optation of potential opposition from both the military and Islam through processes of 'divide and rule' together with the ideological implications of President Suharto's calls for socio-political 'openness' in an environment of contradictory demands for socio-political reform and the military's doctrinal tightening.

## ***2.1 ABRI and organic reinforcement***

Providing the coercion implicit in New Order domination, any disunity within ABRI threatened regime cohesion and legitimacy. When differing perceptions as to how the New Order should evolve became apparent during the late 1980s among the middle and senior levels of the officer corps, regime legitimacy could not but come under scrutiny and the ideological contradictions roused by the military-initiated *Kewaspadaan* (vigilance) on the one hand and Presidential-initiated *keterbukaan* (openness) on the other polarised the debate that followed.

Changing perceptions of national life during the 1980s placed growing pressure upon the ABRI leadership to adapt their ideological approach to cope with new demands and mainstream calls for less exclusionary political processes. Human rights accountability and, in particular, an end to the military's intensive socio-political intrusion, threatened the military's pre-eminent position within the New Order. ABRI response was to reassert its position by reformulating doctrinal/ideological frameworks through internal refurbishment that interpreted any form of socio-political and ideological dissent as national threat thereby redefining any opposition as a legitimate target of their coercive defensive instincts.<sup>783</sup> Sustained by doctrine that demanded on-going national stability as a pre-requisite for economic and socio-political development, the military's self-defined *dwi fungsi* ideological mission required both permanent defence and socio-political roles. Throughout the New Order, at the head of ABRI and committed to upholding the institution's doctrinal legitimacy, President Suharto constantly reaffirmed these perceptions and that the potential for national instability remained ever-present. During the early 1980s, confirming that under his leadership the military continued to be concerned about the potential for national instability, ABRI Commander Moerdani updated officer corps doctrinal training through his *Kewaspadaan* approach that formalised the belief that *Pancasila* society was coming under potentially destructive threat from a new array of subversive groups and ideologies.<sup>784</sup> The existence of a "credible persistent threat" required a degree of imagination on ABRI's part so to justify the need for renewed and ongoing socio-political vigilance in early 1988 military doctrine reformalized itself around *Kewaspadaan*.<sup>785</sup>

*Kewaspadaan* provided the military high command doctrinal value in that it tightened organic legitimacy by reasserting the Armed Forces' role as the guardians of the national interest but to defend the military's sacred role against growing calls for an end to *dwi fungsi* and that the military 'return to their barracks', the doctrine needed to justify that renewed vigilance was required at every level of the state if it were to be plausible. Real threats to national stability had to be identified if

<sup>783</sup> Jun Honna, 'Military Ideology in Response to Democratic Pressure During the Late-Suharto Era: Political and Institutional Contexts', *Indonesia*, No.67, April, 1999, p. 78.

<sup>784</sup> As well as re-affirming the threat from Marxist ideology (albeit under a new guise) the *Kewaspadaan* doctrine rejected the capitalist-liberal model of society: that is both Communism (based on 'class') and capitalism (based on the 'individual') represented a credible and persistent threat and somewhat vaguely seen as threatening to undermine the basis of *Pancasila*. Honna, (1999), pp. 81-3.

<sup>785</sup> Honna, (1999), p. 82.



the approach was to make sense. In insisting that foreign values such as democratic political participation and humanitarian rights were destructive and threatened *Pancasila* and the 1945 Constitution, the doctrine struggled with credibility and regime critics viewed *Kewaspadaan* as little more than another of the regime's self-justifying tools of repression.<sup>786</sup> Notwithstanding the *Kewaspadaan* mindset among ABRI's leadership satisfied their self-belief that a re-affirmation of ABRI's commitment to *Pancasila* was overdue. Military hard-liners grasped the doctrine as sensible ideological fortification for the challenging times and a useful means of controlling the pace and degree of what they saw to be inevitable demands for socio-political reform.

*Kewaspadaan's* architect, General Moerdani, fell from Presidential favour in 1988 following his outspoken opposition to the President's choice of Lt. General (ret.) Sudharmono's appointment to the Chairmanship of GOLKAR and thus preferred choice as the next Vice-President.<sup>787</sup> Not regarded as the 'military's man', Sudharmono had done little to endear himself to the ABRI elite by his tendency to cut budget allocations to military business activities. As GOLKAR Chairman, Sudharmono's preference for recruiting GOLKAR functionaries from the ranks of business rather than ABRI reduced the party's dependence on military influence or, put another way, reduced ABRI's influence over GOLKAR. Until 1988 Moerdani had been at the fulcrum of military power and influence with an extensive support base among the officer corps so when his intelligence empire and its network of patronage was disbanded, there was considerable anger towards Suharto from Moerdani supporters. In sidelining his one-time trusted aide, Suharto not only seemed to neutralise a focal-point for opposition within the military but also served notice to the non-Muslim dominated military command that Moerdani's influential Christian influence had come to an end.

Moerdani had dominated military intelligence for some fifteen years before his appointment as ABRI Commander and many senior officers owed their careers to him but his Roman Catholic background and connections troubled Muslim officers as well as civilian leaders who distrusted the independent power base he had

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<sup>786</sup> Honna, (1999), p. 87.

<sup>787</sup> Moerdani's close friendship with the President had also been pushed to the limit by his criticism of the President's children's business activities. For more on the Moerdani/Sudharmono antagonism see Ben Anderson, 'Current Data on the Indonesian Military Elite' in *Indonesia*, No.45, April, 1988, pp. 142-5 and Bouchier and Hadiz, (2003), pp. 185-6.

built within the officer corps and the intelligence apparatus. Moerdani had preferred to work with officers from *abangan* (less pious Muslim), Christian, and minority, backgrounds and under his leadership more pious (*santri*) officers were unlikely to reach senior rank. But Moerdani's fall from grace was viewed among sections of the officer corps as an example of inappropriate Presidential interference in military affairs and implying, as one influential Moerdani supporter put it, that the military's socio-political role of ensuring the "purity and consistency of *Pancasila* and the Constitution" was going to be all the more difficult in the future.<sup>788</sup> In a dramatic response to the President's challenge of their authority, the high command turned to pure *Kewaspadaan* doctrine and launched a provocative series of investigations in an effort to show that neo-Communists had actually penetrated the Sudharmono-led GOLKAR. The military were effectively using Moerdani's doctrine, originally designed by the theoretician to tighten *Pancasila* conformity, as a platform from which to challenge Suharto. Although devised to re-vitalise intra-military ideological standardisation, the Moerdani initiative thus became a doctrinal means by which disaffected senior officers could, from both an organic and traditional intellectual basis, oppose Suharto's political plans and effectively threatened to undermine intra-elite and regime cohesion.<sup>789</sup> Moerdani was reduced to the somewhat junior position of Defence Minister in 1988, and remained out of the official power frame, but his influence remained through the broad network of patronage he had built during his long powerful military and intelligence career. With their self-justifying doctrines revitalised by *Kewaspadaan* and emboldened by newfound ideological legitimacy, ABRI were able to turn their attention against the growing calls for democracy, reform, and greater political participation. Originally born out of a perceived need for ideological standardisation and revitalisation, and later modified to legitimise even greater intrusive surveillance over society, Moerdani's *Kewaspadaan* project had evolved into an instrument by which dissident elements of the military could both reaffirm their socio-political roles and justify challenging the President.

Permitting the influential General (ret.) Soesatro to address the DPR on June 21 1989 and confirm the President's call for *Keterbukaan*, suggested that the boundary of permissible political discourse had truly expanded and implied that

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<sup>788</sup> New Armed Forces Commander General Try Soestrisno quoted in Honna, (1999), pp. 84-5.

<sup>789</sup> Honna, (1999), p. 86.

latitude was now going to be permitted to publicly criticize the regime.<sup>790</sup> The speech could never have been made without Presidential support, and was backed by a number of influential retired generals, but *Keterbukaan*'s openness clearly challenged and complicated the military's *Kewaspadaan* calls for vigilance. *Keterbukaan* drew a not unexpected defensive reaction from the military leadership that responded by resurrecting the ideological warnings implicit in *Kewaspadaan* to remind that the tenets of *Pancasila* and *dwi fungsi* were non-negotiable. In turn, the relevance of *Kewaspadaan* itself in the new environment of *Keterbukaan*'s implicit promise of reform came under challenge from within the regime. Cracks were appearing in the regime's aura of organic solidarity as a new generation of military officers, often overlooked for promotion and missing out on the spoils of development or simply concerned at the loss of professionalism apparent within their institution, grew increasingly resentful and dubious as to the continued legitimacy of their institution's role in national life. ABRI declined to enter the debate until December that year when Chief-of-Staff, Sudrajat, addressing the military academy and called on officers to begin a rational debate on socio-political matters. The invitation for political openness gained further legitimacy when Exterior Minister Rudini even called for discussion as to whether ABRI's *dwi fungsi* role was still justified.<sup>791</sup>

When ABRI Commander (and Moerdani protégé) General Try Sutrisno firmly contradicted the reformist atmosphere by declaring that the matter should not be one of public debate among serving personnel, the depth of antagonism the subject provoked among some elements of the military was apparent.<sup>792</sup> The swing between discussion and contradiction highlighted the growing differences between the President and elements of the military leadership as to the legitimacy of debating *dwi fungsi* (and thus *Pancasila* itself) in the changing socio-political environment but the implication remained that, at the highest levels, *Pancasila* remained sacrosanct. But Suharto could hardly remain impervious to calls for at least debating change and reform, nor could he continue to ignore the growing criticism from within the Muslim community of the institution that had been his most potent socio-political resource for some three decades. The President's subsequent response leaned more towards

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<sup>790</sup> Jun Honna, *Military Politics and Democratisation in Indonesia*, (Routledge, London, 2003), p. 12.

<sup>791</sup> Honna, (2003), p. 12.

<sup>792</sup> Mark G. Rolls, 'Continuity and Change in Indonesia: A Look Forward', *International Politics Research Papers*, Number 14, (Department of International Politics, University of Wales, Aberystwyth, 1994), pp. 8-9.

maintaining popular support for himself than shielding the military from criticism and suggested rather an opening for Islam than generally favouring *Keterbukaan*.

### **2.1.1 The military generation gap: divergent ideological perceptions**

At the heart of the now discernable cleavage, debated publicly and privately within both the active and retired officer corps, was in its simplest terms a generation gap between the military *karyawan* running the New Order and the new young generation officers that “controlled the guns”.<sup>793</sup> The gap had been widening since the early 1980s but by the 1990s was concentrated around two alternative potential power centres; the retired military *karyawan* representing the remnants of the 1945 Generation clinging onto power, and a new generation on active duty at the middle levels of the staff and command structure. Compounding the problem was an officer corps that had greatly increased since 1966 through an unprecedented progressive rate of officer graduations. To satisfy career aspirations large numbers of active duty officers required regular and frequent re-assignment but by the early 1990s the average length of medium rank command had reduced by up to 50% causing a veritable “promotional log-jam”.<sup>794</sup> Military logic demands that satisfactory and meaningful regional command assignment lengths are essential if officers are to have sufficient time to familiarise themselves with the specific demands of a region. Moreover, regular personal rotation is also necessary to ensure the maximum number of officers benefited from command responsibility.

The large pool of officers waiting for promotion were growing disenchanted with their vocation as it was also clear to most of them that the selection process was being abused in professional terms; when rotation did occur it was most likely to be from political preference than talent and merit. The issue of merit over personal selection through political interference actually prompted the Minister of Security to comment publicly that it was the job of the military, not the executive office, to decide important command assignments.<sup>795</sup> Many middle-ranking officers also felt that appointments were too frequently being made contrary to the will of their

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<sup>793</sup> John A. MacDougall, ‘Pattern of Military Control in the Indonesian Higher Central Bureaucracy’, in *Indonesia*, No.3, April 1982, p. 99

<sup>794</sup> The editors, *Indonesia*, ‘The Indonesian Military in the mid-1990s: Political Maneuvering or Structural Change?’ April, 1996, pp. 91-105.

<sup>795</sup> General Edi Sudrajat, *Kompas*, March 6, 1996.

immediate superiors and more to serve the interests of the executive office, Presidential aides, and the staff of the Ministry of Defence.<sup>796</sup> The officer corps of the 1990s turning into a promotional log jam had two particularly disturbing consequences for officer corps' morale. With little hope of promotion some middle-ranking officers were forced to remain in the regions of their active service for too long and on becoming familiarised with local socio-political realities felt reluctant to use heavy-handed methods against civilian protest and unrest. Facing mandatory retirement at age fifty-five, and hoping for the traditional financial security of civilian postings, many were also concerned by the increasing pressure on the state and bureaucracy to accommodate their generation's retirement needs.<sup>797</sup>

The new generation had limited means available to actively oppose regime policies and the only effective tactic was to weaken the President's position by encouraging ABRI's political-neutrality. Generational discourse thus centred about older officers' concerns that their interests would be prejudiced if the military retreated from political influence, and the younger, better educated, and often overseas trained, generation's growing frustration that their legally-determined (yet irrational by conventional military standards) dual socio-political role retarded military professionalism. Antagonisms had the effect of broadening dangerous fissures within the formerly highly cohesive institution that had effectively for some twenty-five years underpinned important coercive and consensual elements of regime authority.<sup>798</sup>

Reduced ABRI support for GOLKAR saw the vote for the regime party slip from its 73% in 1987 to 68% in 1992 but parliamentary opposition was limited to official opposition politicians and remained relatively muted with disquiet generally centring round the military's guaranteed representation in the DPR and MPR. While the President had the power to keep criticism under control, there was the problem that his endorsement of *Keterbukaan* encouraged discussion therefore debate came under the rubric of Presidential approved political openness. The Vice-Presidential election at the March 1993 MPR session increased the antagonism between the President and ABRI. Traditionally ABRI waited for the President to nominate his choice of Vice-Presidential candidates but the practice broke down in this instance

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<sup>796</sup> The editors, *Indonesia*, (1996), p. 103.

<sup>797</sup> The editors, *Indonesia*, (1996), p. 104.

<sup>798</sup> Michael R. J. Vatikiotis, *Indonesian Politics Under Suharto*, (Routledge, London, 1998), p. 61.

when the military pre-empted Suharto and announced their nomination before the session started. The President had the last word, re-arranged his cabinet and, in a massive military reshuffle tightened organic ideological cohesion by elevating a new generation of loyal, predominantly Muslim, officers and former adjutants into senior military positions.<sup>799</sup>

## ***2.2 Resurgent Islam and traditional intellectual inclusion***

Through the 1980s and into the 1990s the New Order's approach towards Islam changed. Suharto's change of direction has been discussed and further debate follows below but had much to do with his perception that he had lost the support of key elements within the military and the need to counter an impatient ABRI leadership looking towards a future without him at the helm. The most significant of Suharto's moves towards Islam, providing accommodatory elements of modernist Islam a public voice in socio-political affairs through the Intellectuals Association ICMI in late 1990, suggested that the President was balancing declining support among sections of ABRI with electoral support from the increasingly pious middle-class, *santri* intellectuals and social activists in the lead-up to the crucial 1991 general elections and the Presidential election that would follow. Suharto's support for modernist ICMI was clearly a calculated move. Largely rural traditionalist Islam under Wahid's leadership already offered an accommodatory stance that vocally supported the New Order's *Pancasila-ist* position on the place of Islam. Modernist Islam, on the other hand, embraced by many among the increasingly pious and growing urban middle-class, offered a potentially powerful electoral constituency if it able to be successfully brought in line with the President's agendas. While the modernist stance also included reformists and scripturalists committed to a deeper Islamisation of Indonesian society and even an Islamic state, modernist Islam's preparedness to link "modernity with Islamic social consciousness" made the gamble worth while.<sup>800</sup> The highest levels of the regime realised that giving modernist Islam a more influential role in the New Order might also encourage a more accommodating position from this important broad electoral constituency.

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<sup>799</sup> Honna, (2003), p.17. Vatikiotis, (1998), p. 62.

<sup>800</sup> John Hilley, *Malaysia: Mahathirism, Hegemony and the New Opposition*, (Zed Books, New York, 2001), p. 183.

Suharto's support for ICMI rekindled hopes among Islamic intellectuals in general that there might be a more influential role for *politika-Islam* but the association troubled those concerned with maintaining the *Pancasila* state's secular-nationalist orientation. Notwithstanding its stated intentions, to the regime's critics, which included elements within the military, ICMI was merely another example of New Order corporatist inclusion. Its ranks swelled by influential members of the increasingly pious bureaucracy and civil service, ICMI seemed to offer no more than a controlled environment whereby modernist Islam could be included in organic ideological discourse as a counter to Wahid and traditionalist Islam's attempt to capture *Pancasila* to legitimise regime challenge. Officially ICMI was intended to provide Suharto a "formal sphere of Islamic scholars" under his watchful eye, and another view suggested the organisation merely opened an arena for fostering moral and intellectual ideological discipline within government circles.<sup>801</sup> Christians and *abangan* intellectuals could not help but see the organisation as a first official step towards turning Indonesia into an Islamic state, while some academics from the *santri* community and Wahid was the most vocal, feared that ICMI's sectarian and exclusivist inferences hinted at a return to the dangerous sectarian politics of the 1950s and 1960s. Critics such as Wahid argued that implementing Islamic precepts more deeply into the state were contrary to *Pancasila's* intent and would inevitably see Islam being treated as a "special case".<sup>802</sup> The spirit of the 1945 Constitution and *Pancasila* guaranteed equal treatment to every individual and group so the particularistic line ICMI seemed to offer Islam threatened to jeopardise the idea of the state's secular orientation and thus national unity.<sup>803</sup> There was also a degree of apprehension and ambiguity within ICMI itself between those prepared to work for the regime and those wanting to push for more democratisation from within the organisation's ranks. With some ICMI members declaring their involvement in the organisation as being to promote a deeper Islamisation of state and society, and others talking of more democratisation, ICMI was clearly a dangerous departure from the New Order's previously unabashed non-sectarian tenets.

Notwithstanding the apparent pragmatism behind its formation, as ICMI was the most significant new Muslim organisation created under the New Order it

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<sup>801</sup> Liddle, (1996), p. 619.

<sup>802</sup> Muhammad AS Hikam, 'Islam and the Empowerment of Indonesian Civil Society', in *The Indonesian Quarterly*, Vol. XXIV, No.1, First Quarter, 1996, p. 32.

<sup>803</sup> Hikam, (1996), p. 32.

heightened concerns among elements of the ABRI leadership, as well as a broadening range of secular-nationalist interests, that Islam was on a path that could tip *Pancasila*'s ideological balancing of New Order society. Most military officers remained hostile to the organisation believing that ICMI surreptitiously supported an Islamic state, that even the more prominent voice the organisation offered the significant sprinkling of democratists within ICMI's ranks contravened *Pancasila*; Suharto, they felt, was playing a dangerous game.<sup>804</sup> Many prominent Muslims associated with the organisation nevertheless publicly acknowledged that prosperity, equality, and democracy did embody core Islamic values and, as such, they were prepared to set aside the idea of an Islamic state in favour of working towards a more pious society within *Pancasila*'s frameworks.<sup>805</sup> Most military leaders refused to be convinced and remained suspicious that Suharto was not only supporting a potentially exclusionary organisation and the influential *umat* to increase his legitimacy but was doing so to punish and marginalise ABRI.

### ***2.3 Islamic scripturalists and accommodationists***

Given Indonesian Islam's traditional split between the majority *abangan* (nominally pious syncretist Muslims) and the more pious minority *santri*, and elements of *both* strains spread among the social organisations of traditionalist NU and modernist *Muhammadiyah*, a further intellectual separation, paralleling the general increase in middle-class Muslim piety from the mid-1980s into the 1990s, became apparent between what Liddle calls Islamic "scripturalists" and "substantialists."<sup>806</sup> In the context of contemporary Islamic observance, substantialists are more usefully described as 'accommodationists' and both intellectual streams of scripturalism and accommodationism cutting across *abangan*, *santri* traditionalist and modernist strains. By entering the debate on Islam's appropriate place in contemporary Indonesian society each of the intellectual variants invoked the spectre of sectoral exploitation around ideological interpretations and caused mounting concern among the secular-nationalist ruling elites.

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<sup>804</sup> Hefner, (1999), pp. 229-231.

<sup>805</sup> Liddle, (1999), p. 61.

<sup>806</sup> The *abangan* may have been Muslim in the past but now generally believe and practice a mixture of animism, Buddhism, Hindu-Javanese derived mysticism, and Islam. Liddle (1996), p. 275.



The accommodationists generally shared four ideas: that believing is more important than performing the required *Qur'anic* fundamentals; the modernist imperative that the *Qur'an* should be interpreted in the context of existing societal conditions; that Muslims must be tolerant towards non-Muslims; and the traditionalist imperative that the status quo (i.e. a secular-nationalist state with moral and intellectual legitimacy underpinned by *Pancasila*) remained the most appropriate final form of the Indonesian state. The accommodationists saw no need for an Islamic state and, significantly, shared the New Order common commitment to an inclusive nationalism that recognised the equal rights of Muslims, Christians, and others as Indonesian citizens.<sup>807</sup> The scripturalists on the other hand disavowed modernist tendencies of accommodation believing that the message and meaning of Islam did not need to be adapted to the social conditions of any century let alone the late 20<sup>th</sup> Century. On the contrary, they believed that a good Muslim implemented Islam's true requirements conscientiously and without compromise. The scripturalists acknowledged a diverse and threatening range of interests lined in opposition: Christians, the general anti-Islamic nature of New Order policies, the variety of influences and pressures the West and its international institutions were imposing upon the Indonesian state, and accommodationists from within the modernist and traditional camps of *Muhammadiyah*, ICMI and NU. Considering the diversity and authority of the opposition, the scripturalists were primarily defensive while the accommodationists were appropriately reflective and more intellectually compromising. The New Order firmly opposed any political expression of scriptualism but tacitly supported the compatibility of the accommodationist's nationalism with the social politics and economy of Suharto's vision of a unitary, pan-religious, state based upon a mixed private-state economy.

The New Order's economic and social development policies had an impact on both scripturalist and accommodationist positions but the larger, better educated and more prosperous, *santri* community, plus many other upwardly mobile urban Indonesians, were gradually becoming more sympathetic to the accommodationist positions. Liddle points to three factors that were pushing large numbers of Indonesian Muslims in the other direction towards the scriptualists.<sup>808</sup> First, the scripturalist stance is not difficult for pious Muslims to accept as most of the

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<sup>807</sup> Liddle (1996) p. 276.

<sup>808</sup> Liddle, (1996), pp. 280-4.

accommodationist positions on Islam were generally at odds with the contemporary Islamic world and in particular the *Qur'anic* injunction that Islam encompasses all aspects of human life including governance. There is also the likelihood that a more participative political environment might enable scripturalists to form advantageous political alliances with other rising social groups. Also, mass rural Muslim lower-class groups, particularly on the highly populated island of Java, have long distrusted the higher-class bureaucrats, military, Sino-Indonesians, and Western interests regarded as favoured by the New Order that tended towards the accommodationist position. Finally, and confirming elite fears of mass political mobilisation, there was the likelihood that broader political representation might enable more, rather than less, ambitious politicians to use Islamic piety to mobilise mass political support.

Tacit New Order support for such prominent accommodationists as Abdurrahman Wahid did not necessarily signify regime comfort with their social or political conservatism as many accommodationists remained critical of many aspects of the New Order, particularly its authoritarian, and self-serving, exclusive, interpretation of *Pancasila*. Support for the accommodationist position, and repression of their intense scripturalist opponents, gave the accommodationists a strong advantage in being able to air their views and ideas publicly. As the 1990s progressed, many within the growing, better educated and more prosperous, *santri* community continued to turn towards the accommodationist position and as thoughts of an Indonesia without Suharto in charge came to dominate political speculation, uncertainty grew as to how the two strains of scripturalism and accommodationism might mutually fair in a post-Suharto era when in all likelihood there might be opportunities for both to rouse potentially problematic, mass-based, political expression.

### ***3. Keterbukaan's openness and the realignment of New Order ideological interests***

Suharto's call for more open debate, and the rapprochement with Islam confirmed by his patronage of ICMI, was a clear response to the cooling in his relationship with ABRI's senior officers. Muslim schoolgirls were given permission to wear the *jilbab* (religious veils), an Islamic bank (*Bank Muamalat*) was established and, along with members of his family and close associates, the President made the *haj* (pilgrimage to Mecca). ICMI's overtly accommodationist position rewarded a

significant segment of Islam with the prospect of greater ideological and political leverage over New Order affairs notwithstanding their organisation probably being part of a socio-political strategy by the President to balance personal challenge from within the military.<sup>809</sup> Suharto also dismayed his generals when he implied in an address to the ABRI leadership in November 1990 that a shift was overdue with regard to ABRI's role in Indonesia's socio-political life.<sup>810</sup> 'Democratists' were encouraged by the speech's implication that *dwi fungsi's* socio-political intrusion might be limited in the future. With animosity between Suharto and ABRI growing the most conclusive evidence of their rift surfaced following an incident in Dili, East Timor November 12, 1991 when troops fired on thousands of demonstrators killing several hundred within view of foreign journalists. For the first time New Order officers of general rank were held responsible and while many serving officers considered the shootings to be a correct doctrinal response to the incident two generals were cashiered. The earlier sidelining of the influential Moerdani, ICMI's provocative sectarian implications, the cashiering of two generals and sundry court-martials in the aftermath of the Dili shootings, and the setting up of a National Commission for Human Rights in 1993 were clear indications that ABRI's influence over the President was being undermined.

Suharto's *Keterbukaan* had been intended to stimulate more critical debate on the political situation in anticipation of Islam being more supportive but the initiative merely deepened antagonisms between the President and elements of the ABRI leadership and represented the most significant weakening of ideological coherence since the beginning of the New Order.<sup>811</sup> The rift between the President and the military coupled with *Keterbukaan* encouraged those attacking ABRI's intrusive socio-political activities and interests. ABRI's ideological response to Suharto's *Keterbukaan* was doctrinal but *Kewaspadaan's* calls for heightened vigilance was increasingly at odds with the President's attempts to manage the pressures the early 1990s were imposing on the New Order.

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<sup>809</sup> Hikam, (1996), p. 32.

<sup>810</sup> In his speech the President used the Javanese expression *tut wuri handayani* that means to support ones children from behind as one would in, say, teaching them to walk. In using the term he was implying, in the context of socio-political development, a less intrusive, and more supportive, role than ABRI had previously regarded as legitimate within their interpretation of *dwi fungsi*. Honna, (1999), p. 90.

<sup>811</sup> Honna, (2003), p. 15.

Antagonism between the President and ABRI continued through the 1992 elections and ABRI took a more neutral position towards GOLKAR than in previous New Order elections tolerating a number of high profile retired officers to publicly support Sukarno's old political party, Megawati's Indonesian Nationalist Party PDI. The 1997-8 elections were still some time away but it was obvious that the subject of executive transition would have to be addressed at that time so the President began to comprehensively restructure the senior officer corps with officers more amenable to him. Having shut down Moerdani's highly organised personal network Suharto had effectively removed any likelihood of an organised, autonomous, military power base evolving outside of his control. With few serving officers remained from his revolutionary 1945 Generation, the President was increasingly forced to turn to cronies, associates, former aides, and family members, to sustain loyalty among the upper echelons of ABRI command.

#### ***4. Competing interpretations of Pancasila and ideological confrontation***

Four competing intellectual voices variously employed *Pancasila* discourse during the post-*azas tunggal* era of the 1980s into the 1990s to question the use of the state ideology; (1) Abdurrahman Wahid (as chairman of both NU and Forum Democracy) representing the traditionalist Islamic view of secular-nationalism, (2) the influential Islamic modernist view associated with ICMI closely aligned with GOLKAR, (3) the ABRI leadership and, with growing enthusiasm (and also linked closely to Forum Democracy) and (4) a broad range of democratically-inclined secular-nationalists assuming a diverse range of stances opposing the New Order.<sup>812</sup> Discourse occurred across an increasingly complex political terrain overlapped by Islamic revival and the scripturalist/accommodationist dichotomy, cleavages within both the serving and retired military, calls for democratic reform, and successful, albeit inequitable, economic development. Encouraged by *Keterbukaan's* more open environment *Pancasila* was hungrily appropriated by a vocal and diverse range of interests. The state ideology provided an ideal vehicle for legitimising NU's political activities as *Pancasila* fortified both Wahid's commitment to secular democracy and his nationalist credentials. Under various guises Wahid was

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<sup>812</sup> Ramage (1995) p. 5.

calling for an Indonesian Islam firmly committed to the *Pancasila*-ist, politically secular, nationalist state in much the same vein as the earlier New Order vision. Along with intellectuals from modernist ICMI, Wahid's use of *Pancasila* as ideological legitimacy was complicated by resurgent mass Islam's potentially problematic polarisation around accommodationist and scripturalist visions of Islam's socio-political place in the Indonesian state.

In attempting to appropriate *Pancasila*'s intellectual and moral high ground Wahid offered socio-political compromise that expressed the accommodationary values and ideals of a "rational, unitary, non-Islamic state" but contradicted those of the New Order regime as well as his (and the regime's) scripturalist opponents.<sup>813</sup> He was also sharing secular-nationalist and democratist concerns that elements within ABRI were aligning with fundamentalist elements of the modernist Islamic community and ideologically associated radical scripturalists to threaten *Pancasila*'s implicit tolerance. Wahid's Islamic interpretation regarded *Pancasila* as a necessary precondition if Islam was to be rational in the Indonesian context, but he argued that activist Islamic elements wanted to go further and 'Islamise' Indonesia as a *precondition* for democratisation. In terms of there being no contradiction between Islam and nationalism (and that Islam could thrive spiritually in a nationalist state not formally based on Islam) Wahid's approach was therefore as much nationalist as Islamic.<sup>814</sup>

Wahid's NU was not the only non-state actor appropriating *Pancasila* to legitimise its debate on Islam's place in the New Order. Commentators were divided over Suharto's dramatic about-turn in attitude and approach towards Islam, represented by his support for ICMI's accommodationist position. Notwithstanding the possibility he was losing ABRI support for his continuing Presidency, or whether he simply felt political Islam no longer threatened him, ICMI offered the President an opportunity for considerable socio-political advantage. *Asaz tunggal* had theoretically brought all organisations and political groups behind the *Pancasila* line so with Habibie's staff running ICMI's administrative functions ICMI appeared to provide an easily controlled, more acceptable, Islamic voice than Wahid's rhetoric of covert challenge. Establishment-sponsored and legitimate, ICMI was officially intended to

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<sup>813</sup> Ramage (1995) p. 51.

<sup>814</sup> Ramage (1995) p. 53.

represent, focus, and manage, the aspirations of the new urban, increasingly middle-class, educated Muslims that had benefited from *pembangunan* (economic development). But it was also asserted that ICMI, and the Muslim intellectuals involved in it, were politically naïve and being manipulated cynically to strengthen the President's socio-political legitimacy in the face of an increasing divergence of interests between himself, senior influential ABRI officers and other elements within the ruling elite. Notwithstanding accusations of their co-optation, ICMI intellectuals found themselves with an unprecedented opportunity to enter, and possibly influence, socio-political debate.

The ICMI membership represented several streams of socio-political thought, Muslim theologians and scholars, Islamic activists (both scripturalists and accommodationists), and government bureaucrats. As the organisation was largely staffed and administered by government bureaucrats and Habibie staffers and associates, the regime was in a position to closely monitor and direct its influence. NU was no longer Indonesian Islam's only strong voice and the alternative official Islamic contribution ICMI offered to ideological discourse was more attuned, and accessible, to the regime. As the only significant Islamic organisation ever created under the New Order, ICMI clearly reflected a turning point in the regime's ideological approach to social politics. As much as the significance of Presidential support for ICMI needs to be understood in terms of the asset the organisation provided him in balancing ABRI influence, the importance of the organisation to the regime in other respects cannot be overstated. Islam was clearly undergoing a cultural resurgence and many of the intellectuals associated with ICMI (as well as those associated with NU) appeared to accommodate *Pancasila* as an ideologically legitimate mainstay for Indonesian life and were thus able to accept the strict proscription of explicit Islamic political activity the New Order demanded.<sup>815</sup> Indeed, as *Pancasila* comfortably satisfied their religious interests within the context of the Islamic society they lived in, few Muslims saw society's problems being the fault of *Pancasila* and its *dwi fungsi* derivative but more to do with specific New Order policies and doctrinal interpretations. The regime in turn regarded post-*azas tunggal* Islam with much less suspicion. Empowered to represent an accommodative stream

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<sup>815</sup> Ramage (1995) p. 93.

of Islam ICMI members found themselves with access to the very heart of New Order power.

As it appeared to legitimise appeals to the old primordial loyalties of the early 1960s ICMI troubled ABRI and some senior officers within the military elite viewed with alarm the organisation's potential to resurrect the old ideological problems that had plagued the Republic before they and Suharto had been forced to take control. Of particular concern was military elite distrust of the liberal-democratic inclinations of some of ICMI's more influential members that the military considered incompatible with *Pancasila demokrasi*. Some ICMI activists were vocally opposed to the military's continuing socio-political influence and on a personal basis, sections of ABRI viewed ICMI's chairman Habibie with suspicion. Although the military realised that negative reference to *Pancasila* was strictly avoided within ICMI, they knew that considerable Muslim apprehension remained towards the New Order's exclusionary representation of the state ideology. Many Muslims, they suspected, had not let go of the belief that only Islam could ever really be Indonesia's unifying ideology and that ICMI, NU, and other accommodationists' acceptance of the regime's version of *Pancasila* was little more than a convenient way for the Islamic movement to participate and operate within the New Order's highly circumscribed socio-political culture.

Adding to the debate over *Pancasila*'s appropriateness to the changing socio-political and cultural environment of the 1990s was the voice of Forum Democracy. A grouping of forty-five prominent intellectuals, formed in March 1991 and led by Wahid, Forum Democracy was, its leaders claimed, prompted by, rather than a counter to, ICMI's establishment. Representing the public face of secularism the Forum called for a return to a more explicit inclusive interpretation of *Pancasila* that would commit the nation to the unity felt under threat from increasing religious and ethnic division and hostility. By calling for the disestablishment of such sectarian-orientated groups as ICMI, Wahid (wearing his Forum hat) was proclaiming a genuine *Pancasila*-ist secular-nationalist logic.<sup>816</sup> The Forum's greatest concern was that by sponsoring ICMI the regime was not only attempting to manipulate religious and ethnic issues for political gain but also divide Islamic society. The regime's tendency to divide and rule was not lost upon the secular-nationalists.

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<sup>816</sup> Ramage (1995) p. 159.

Inevitably the regime depicted the Forum's activities as anti-*Pancasila* but Wahid maintained his line carefully appropriating the doctrine differently as leader of NU to the way he used it as the Forum's leader. While Wahid's NU strategy was one of "accommodationary de-confessionalism" his Forum Democracy position placed more emphasis on promoting democracy and in particular the need for a society tolerant of religion as an essential *precondition* for future democracy.<sup>817</sup> While Wahid saw *Pancasila's* inherent tolerance as vital to democratic evolution, the secular-nationalists generally faced a dilemma. Their ranks included many non-Muslims who wanted to keep Islam out of politics and saw in the search for a more democratic society vulnerability to a *politika-Islam* that might force them to rely on ABRI's rigid commitment to *Pancasila* as the only guarantee of long-term secular rights. The 1990s therefore found secular-nationalists confronted by a fine line between demands for an Islamic society (or even an Islamic state), on the one hand, and continued domination by a military-backed regime on the other.

### ***5. 1993: Organic and traditional ideological realignment, assimilation and consolidation***

By 1993 Suharto's purge of Moerdani supporters had reasserted his control over ABRI's leadership and GOLKAR, ABRI, and ICMI appeared to be operating in concord as a power axis, the regime having assimilated from below into its organic constituency the intellectually significant section of Islam represented by the overtly accommodationist ICMI. As well as having loosened its influence over GOLKAR, ABRI itself had also become increasingly Islamized. ABRI of the early 1990s had generally been commanded by Moerdani-generation *abangan* Javanese officers, or officers from ethnic and religious minorities, so Suharto's elevation of two devout Muslim generals, R. Hartono and Feisal Tanjung, to senior command between 1993 and 1995 surprised observers and troubled Moerdani-ists.<sup>818</sup> As noted above, Islam had effectively split into three loose groupings around the now organic intellectualism of ICMI, and the polarised traditional intellectual offerings of both the increasingly dissatisfied scriptualists and Wahid's version of accommodationist Islam

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<sup>817</sup> Ramage (1995) pp. 159-60.

<sup>818</sup> Said, (1998), p. 545.



opposed to ICMI and aligned with an array of secular-nationalist interests that in calling for *reformasi dan demokrasi* regarded Wahid as their intellectual mentor.

Notwithstanding Moerdani's fall, the President's support for the rise of Muslim officers, his appointment of the Muslim Generals Hartono and Tanjung to ABRI command, and the sustained *Kewaspadaan* military doctrine now employed by the military's more Islamised leadership, intra-military cohesion remained fragmented. The meteoric rise of the President's Muslim son-in-law Lt. General Prabowo, the GOLKAR/ICMI linkage, the mobilisation of Muslim issues in the context of military policies, and *Kewaspadaan*'s dogmatic approach to popular movements that interpreted criticism and demands for reform as a threat to the basis of *Pancasila*, were by no means supported by the majority of the officer corps.<sup>819</sup> Disenchanted officers, notwithstanding their oath of loyalty to *Pancasila* and the Constitution, were not only disillusioned with their leaders' erosion of ABRI's credibility, but also frustrated by the advantages enjoyed by officers promoted from Suharto's circle of former adjutants and confidantes. It was difficult to determine whether it was the *Kewaspadaan* approach, or the different perceptions of the doctrine, that were driving ideological disagreement among the formerly tightly woven institution of the officer corps. Because of the likely damage to career prospects if serving officers expressed alternative policy views it was left largely to influential retired officers to voice general dissatisfactions. With refreshing and growing candour from the safety of retirement, no longer silenced by their careers, generals not only criticised the ABRI's ongoing domination of socio-political life but argued that *Kewaspadaan*'s doctrinal tightening was inappropriate to both the regime's ideological legitimacy and the changing socio-political realities.

Former supporters of the regime were now complaining that ABRI could only succeed in its *dwi fungsi* role so long as the doctrine enjoyed legitimate public support which could only occur when the military stopped influencing every aspect of national life. *Kewaspadaan*'s doctrinal reinforcement, although originally intended to protect *Pancasila*, was merely restraining legitimate socio-political aspirations and the time had come, critics insisted, to reassess ABRI's role and its institutional framework in the light of new societal conditions. They also argued that ABRI'S credibility was suffering immeasurably from the President's patrimonial

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<sup>819</sup> Honna, (1999), pp. 102-6.

tendency of promoting only loyalist officers to top positions.<sup>820</sup> Serving officers added to the general criticisms by reminding that *Pancasila*'s secular-nationalism was integral to the nation's goals and, rather than merely promote group interests, military policy needed to express *Pancasila* and the 1945 Constitution's true egalitarian and unifying ideals.

The most powerful group of dissident retired officers calling publicly for reform was the sixty-eight member political association, the Foundation for National Brotherhood Harmony (YKPK), formed in late 1995. Although he shared their interests, Moerdani was not a member but officers associated with his former commands were among the sixty-eight. The majority of YKPK's high profile participants were retired officers and included prominent secular-nationalists. Although limited in their influence, by voicing widespread concern over national unity and calling for a reaffirmation of nationalism unaffiliated to any particular religion, the group defined the split within contemporary military thought. YKPK based their reformist stance on the failure of ABRI's socio-political doctrine to reflect its legitimising triple commitment to *Pancasila*, the 1945 Constitution, and the peoples' security and prosperity. They argued that ABRI could only be prevented from "siding with any one group" and becoming an instrument of sectional interests, if the institution adhered to the true triple commitments of their professional oath.<sup>821</sup>

YKPK's opposition to ICMI's implicit sectarianism, and similar tendencies afflicting ABRI, not only aligned the group with Wahid's secular-nationalist NU but was also welcomed by secular-nationalist minded serving officers, as was YKPK's criticisms of the military's overt alliances with one single political party GOLKAR. Claiming that ABRI had become a mere "tool of the rich" the group focused on ABRI's manipulation by the regime.<sup>822</sup> Although Harmoko's appointment in 1993 was the first civilian GOLKAR chairman since the party's creation, he was strongly supported by the President, Army Commander-in-Chief Tanjung, and ICMI Chairman Habibie, and showed that in terms of self-realisation, and notwithstanding GOLKAR's reduced vote in 1992, the senior levels of ABRI remained close to GOLKAR.<sup>823</sup> This reality contrasted with the growing concerns the issue of socio-

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<sup>820</sup> Honna, (1999), pp. 112-5.

<sup>821</sup> Honna, (1999), p. 109.

<sup>822</sup> Editorial, *Kompas*, 21 July, 1995.

<sup>823</sup> Honna, (1999), pp. 105-9.

political sectarianism was raising amongst elites outside of the ABRI/ICMI/GOLKAR power axis. ABRI's basic ideological role was meant to be a twin commitment to *Pancasila* and the Indonesian Constitution however, as YKPK spokesmen pointed out, by siding with one particular political party linked to an accommodative section of Islam, ABRI was theoretically anti-*Pancasila*-ist as well as anti-Constitution. The cracks in regime unity and cohesion were thus firmly premised on interpretations of the very ideological foundations upon which the New Order was constructed. While differences remained among medium-level officers, between those supporting ICMI and those of a reformist and more secular-nationalist inclination over the leadership's different partners in GOLKAR, and ABRI's public image as a mere tool of Suharto's political ambitions, by 1994 the reconstituted military's senior command itself had become decidedly pro-Suharto in full support of his Islamic tilt. In preparation for the general elections in 1997 and the Presidential elections that would follow the situation seemed politically ideal for the President as he prepared to counter the strong opposition anticipated from Megawati's Indonesian Democratic Party (PDI).

While the President's encouragement of *Keterbukaan* in 1990, and the promise the opening offered those supporting the growing calls for *reformasi dan demokrasi*, had given heart to the military's social critics, socio-political reformists continued to be frustrated because ABRI now had its *Kewaspadaan* doctrine to justify the continued use of coercion to sustain *their* version of social order. Curiously, ABRI concern that *Kewaspadaan* might turn the people against them paradoxically found hope in the possibility that the approach could actually be employed to cultivate Islamic sympathy.<sup>824</sup> By highlighting and exploiting the social, economic and political negativity of a "rich-Christian-minority-Sino-Indonesian" and a "poor-Muslim-majority-indigenous-Indonesian" dichotomy, the military had the means to create a rallying point they could control around Indonesian Islam.<sup>825</sup> Calling for Islamic solidarity in this manner was little more than a temporary measure to conceal the growing conflict between regime preservation and genuine social demands for reform.

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<sup>824</sup> Suharto and the military had similarly manipulated Islam back in 1966 to counter the ideological threat of the Communist PKI.

<sup>825</sup> Honna, (1999), p. 95.

## ***6. 1995: Oppositional traditional intellectual forces contrasting the GOLKAR/ABRI/ICMI power axis organic deepening***

The appointment in February 1995, with ICMI's full support, of Muslim Lt. Gen. Hartono as Army Chief of Staff joining the Commander-in-Chief since 1993 Muslim Gen. Feisal Tanjung, signalled that the Islamisation of the upper levels of ABRI was complete. The regime may have assimilated a considerable number of ICMI's Muslim accommodationists into its organic constituency but it had alienated a substantial and increasingly frustrated accommodationist position outside the ICMI that were obliged to turn to the forces for *reformasi dan demokrasi* to realise their alternative vision of socio-political and cultural life. Scripturalist and fundamentalist influences remained fragmented but some found clandestine support from shadowy elements among the military that opposed the regime's secular-orientation, and looked towards a dynamic Islamisation of the Indonesian state. Some found hope that ABRI's increasing Islamisation might influence GOLKAR more towards Islamic while others assumed the radical scripturalist stance of fundamentalism and opposed both the GOLKAR/ABRI/ICMI power axis dominating the New Order as well as all Muslim tendencies towards accommodationism. At the extreme, and in concert with elements of the military, fundamentalists sought an Islamic state that could be attained by either manipulating the power axis or through an Islamised military intervening in response to serious socio-political breakdown.

In terms of the regime cohesion exemplified by the GOLKAR/ABRI/ICMI power axis, ABRI's move towards GOLKAR had exacerbated several issues and tensions. The split between ICMI and its secular-nationalists opponents within ABRI and intra-military cleavages themselves enhanced the military's image as a mere tool of the President's interests and ABRI's *Kewaspadaan*-induced attacks on Communist ghosts and the shabby military involvement in Megawati's removal from leadership of PDI to make sure her supporters remained outside formal politics during the build-up to the 1997 election, showed that the regime's coercive instincts remained intact.<sup>826</sup> ABRI's leadership had become more Islamised but was defined by a pragmatic *Pancasila*-ist view of domestic stability that merely re-affirmed the military's narrow ideological orientation as little more than an

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<sup>826</sup> Chapter 5, section 3.2.6, pp. 225-226.

instrument by which the regime could resist and re-articulate demands for reform. The acknowledged widening socio-economic gap, on-going government corruption, religious disharmony, and vocal concerns over ABRI's continuing *dwi fungsi* role, threatened social disorder which in itself justified the military continuing their coercive social surveillance approach. *Kewaspadaan's* ideological fortification in response to the military's distrust of *Keterbukaan's* openness dialogue and participation enabled ABRI to vigorously re-assert *Pancasila* to mediate the pace and degree of what they saw as inevitable demands for socio-political change. The military leadership's new-found Islamic solidarity around the GOLKAR/ABRI/ICMI axis did little more than blur a growing contradiction between preserving status quo socio-political arrangements and broadening calls for *reformasi dan demokrasi*.<sup>827</sup> Nevertheless, with the power axis confirming that the structural nature of the regime's ideological arrangements was firmly in place, re-invigorated *dwi fungsi* sustaining ABRI's repressive socio-political role over the nation, the conservative military leadership openly loyal to the President's desire to retain political power into the foreseeable future, it was also apparent that should Suharto decide to go, ABRI were well positioned to influence the choice of his successor.

## 7. Summary

Chapters I and 5 explain, and it is reiterated above, how organic intellectuals of the dominant class aspiring to hegemonic order play the pivotal role in establishing and perpetuating hegemonic order on behalf of their sponsoring class by disseminating their sponsor's ideology into an appropriate form for mass consumption.<sup>828</sup> As the facilitators of mass societal consent to a ruling class's domination (and thus reinforcing that class's over-arching moral and intellectual legitimacy) the organic intellectual must also assume responsibility for abetting processes that ensure the view of society's subordinate groups are assimilated into those of the ruling order. Only through such assimilation is the leadership able to weld ideological moral and intellectual acceptance into practical and all-embracing, Gramscian hegemonic order. The extent to which the intellectual and moral legitimacy implicit in Gramscian hegemonic order was attained by the New Order

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<sup>827</sup> Honna, (1999), p. 118.

<sup>828</sup> Chapter 1, section 1.9, pp. 42-46 and Chapter 5, pp. 183-185.

leadership depended upon how effectively and all-embracingly the regime was able to disseminate consensually its exclusive interpretation of ideology into the mass consciousness. Only by doing so is a ruling order able to sustain societal consensus to the validity of its legitimacy and remain, in Gramscian terms, hegemonic.

Replicating the Gramscian model of hegemonic order required the Suharto New Order legitimising its domination by articulating and proliferating an ideological belief system, tied closely to culture, in a manner so as to be accepted as universally valid by the general population. In *Pancasila* the New Order found an ideology it could present as a set of unifying principles to underpin its hegemony by, on the one hand, stabilising a divided society and, on the other, offering a construct about which egalitarian social and economic development could be achieved. The New Order subsequently represented *Pancasila* over some twenty-five years to limit individual rights while emphasising social obligations for the greater societal good, encouraging belief in God but not an exclusionary Islamic one thereby denying a deeper Islamisation of society, and promoting an egalitarian nationalist economic system while effectively institutionalising an economic system that privileged a favoured minority. While egalitarianism was not strong the *Pancasila-ist* system nonetheless resulted in a relatively high level of societal stability and socio-political development that improved the overall well being of most Indonesians.<sup>829</sup>

It is also implicit in the Gramscian hegemonic model that it constructs and maintains itself by balancing coercion with compliant consensus without the former dominating. Successfully matching the Gramscian model thus required the state ideology *Pancasila* and various ideological/doctrinal derivatives functioning as an appropriate “enabling discourse” by which subordinate groups could be convinced

<sup>829</sup> As a series of statistics that represent a general indicant of societal betterment Hill offers the following:

	1965	1992
GDP per capita	190 rp	610 rp
Lack of schooling	68.1%	18.9%
Poverty: a) Java:		
- very poor	61%	10%
- sufficient	8%	36%
b) outside Java		
- very poor	52%	7%
- sufficient	10%	47%

Hal Hill *The Indonesian Economy Since 1996*, (Cambridge University Press, Cambridge, (1996), p. 5.

of the legitimacy of their effective domination.<sup>830</sup> In such terms, the New Order ideological bloc proved a sound match for the Gramscian model in that subordinate group interests were consistently assimilated, moderated, or co-opted and only when necessary, compelled and coerced to conform. *Pancasila* and its derivatives provided the Suharto regime with the means of legitimising the processes.

As well as the regime's organic intellectuals (essentially ABRI's doctrinaires and a loose grouping of regime-sponsored techno-bureaucrats) a range of traditional intellectuals (representing the two principle divides of Islamic traditionalism and Islamic modernism<sup>831</sup> plus their variants) shared and competed upon the New Order's ideological and socio-political terrain thus offering the basis of an alternative potential counter-hegemony. With the resurgence of Muslim awareness from the 1980s, the *abangan/santri* separation, reflecting degrees of piety, together with the influence of two further intellectual divides, scriptualism and accommodationism (contributing both organic and traditional intellectual input), also contributed to the debate on New Order ideological legitimacy to offer additional sources for a potential counter-hegemony.

The original organic diffusers and interpreters of moral and intellectual direction charged with legitimising the values and politico-economic foundations of the early New Order bloc coalesced into two groups. The first, the '1966 generation', grouped secular-modernisers charged with overseeing development and the second grouped senior military theoreticians charged with formalising appropriate hegemonic military doctrines to ensure ideological cohesion and societal stability based on national consensus. Tasked with legitimising the stability necessary for their sponsor's socio-political developmental agendas the techno-bureaucrat-secular-modernisers and military planners propagated an exclusive interpretation of *Pancasila* as the official state ideology to translate the interests and values of the ruling order as reflecting the "general and common values and interests" of the subordinate masses.<sup>832</sup> Various means were employed to assimilate the values and beliefs of subordinate social groups outside the socio-political elites into the New Order's

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<sup>830</sup> David McLellan, *Marxism after Marx*, (Mc Millan, London, 1998), p. 202.

<sup>831</sup> With the regime initiated establishment of ICMI in 1990 a modernist section of Islam was assimilated out of the traditional intellectual constituency into the regime's organic constituency. Chapter 2, section 4, p. 84.

<sup>832</sup> Benedetto Fontana, *Hegemony and Power: On the Relationship Between Gramsci and Machiavelli*, (University of Minnesota Press, London, 1993), p. 141.

hegemonic arrangements. The most potent instrument was *Pancasila* deployed as ideological discourse and, by balancing elements of coercion with consensus, a high degree of socio-political control and cohesion was sustained.

From the mid-1980s, revitalised Islam led to a resurgent Islamic socio-politics and as the 1990s progressed, traditional ideological influences attempted to capture *Pancasila* itself to challenge its exclusive use by the New Order as the moral and intellectual basis of regime legitimacy. To sustain its moral and intellectual leadership the bloc was obliged to conform to Gramscian imperatives and re-negotiate ideological legitimacy in the face of what were effectively changing socio-political and economic circumstances. The regime's hegemonic defence of the doctrine came under growing contestation and its responses to an emergent, albeit disparate, counter-hegemony placed bloc cohesion under remorseless pressure. Moreover, pressure was compounded by the reality that while organic New Order influences had performed the vital ongoing function of resolving potential economic, political and ideological differences as they arose, their processes contradicted the vital element of subordinate ideological assimilation in that intellectual Islam had been polarised on the powerless peripheries of socio-political influence for the previous twenty-five years.

On the one hand, the New Order regime presented itself for some twenty-five years as politically secular while effectively promoting Islamic culture and, on the other, strictly proscribing religion as the basis of political mobilisation. By the beginning of the 1990s Islamic intellectual and cultural life was thriving with Islam's most vocal representative the highly popular Wahid arguing for a tolerant accommodative Islam capable of embracing democracy within a *Pancasila* framework. Wahid was not the only Muslim voice promoting an accommodative approach to *Pancasila* as many among the nominally-Muslim *abangan* class, both within the military serving and retired, and from within the urban and rural population, feared that those calling for a more Islamicised society might manipulate the political process and enable a democratically elected Muslim majority government to extinguish democracy in favour of an Islamic state. Therein lies *Pancasila*'s inherent enigma in that while used successfully by the New Order to underpin its hegemonic legitimacy thereby limiting the allowable boundaries of political behaviour, the doctrine (in its original, albeit simplistic, meaning) also provided the unifying power of a national ideology capable of appealing across all religious, ethnic



and regional affiliations.<sup>833</sup> Wahid's appropriation of *Pancasila*, offering the doctrine as a religiously neutral ideology essential to national unity, caused complex political manoeuvrings that in themselves encouraged a resurgent *politika-islam* to challenge New Order ideological legitimacy and thus bloc hegemony.

Wahid's proactive traditionalist stance, contrasting that of an officially sanctioned accommodationary modernist ICMI, confirmed that *politika-Islam* was resurgent but not necessarily an overt challenge to *Pancasila* as the ideological foundation of the New Order state. Elements within conservative Islam were looking towards a political future without Islamic fundamentalism but with greater democratisation and less military influence and appropriated *Pancasila* itself to achieve that goal. An Islamicised rendering of New Order *Pancasila demokrasi* offered many potential problems. The new era of Islamic mobilisation also accentuated the scripturalist/accommodationist dichotomy but because both variants traversed Indonesia's broad traditionalist/modernist and *abangan/santri* divides the likelihood of Muslim cohesion was complicated. Too much democratisation might provide Indonesians with the option of choosing Islam and, in so doing, play into the hands of both those within ABRI that rejected Islamic politics and, in a scenario referred to as Wahid's 'Algerian analogy', those Islamic radicals who, while rejecting democracy, might be prepared to manipulate it to achieve pragmatic socio-political ends.<sup>834</sup> The emerging imbroglio implied that many within the Indonesian political establishment, and perhaps even Wahid and many millions of other accommodationists, preferred a military-dominated, more inclusive, *Pancasila* state to an Islamic state. In the interest of national unity a truly *Pancasila*-ist state would at least protect minority rights rather than permit a democratic process that might enable re-confessionalised Islam to win through the ballot box. Preventing such a scenario required *Pancasila*'s continued representation as an ideology of de-confessionalism, unity, and tolerance, and as ABRI doctrine theoretically accepted *Pancasila* in its totality, the doctrine's implicit logic of liberalism and compromise already firmly existed within the bloc's most powerful coercive instrument.

Many active duty officers distrusted Wahid's leadership of Indonesia's democracy movement and to counter their concerns Wahid took care to remind them

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<sup>833</sup> Ramage (1995) p. 193.

<sup>834</sup> In Algeria democratic means were employed to gain parliamentary power and then the new government attempted to install a fundamentalist Islamic state. Ramage (1995) p. 72.

that their professed doctrine and sacred oath, founded on the notion of protecting all citizens' rights to an equal share in the state regardless of religion, ethnicity, or regional origin, had, albeit unwittingly, committed them to accepting the basis of some future, more liberal and inclusive, democratic environment. Wahid acknowledged military doctrinal concerns that religious affiliation be officially separated from political mobilisation and participation, but continued to criticise ABRI's attempts to assume the ideological high ground and appropriate sole interpretive rights to *Pancasila* to sustain their self-defined role as *Pancasila*'s sole defender. While for Wahid *Pancasila* remained the "preferred political and ideological vehicle" to express the accommodative "values and political messages" that bound New Order hegemony as the bedrock of bloc moral and intellectual legitimacy, the state's ideological cohesion was looking increasingly likely to become unglued.<sup>835</sup>

*Pancasila*, the bedrock of New Order moral and intellectual legitimacy, was appropriated during the 1990s for contradictory purposes by an array of fragmented socio-political interests that had the potential to coalesce into a coherent counter-hegemony and challenge New Order hegemony. The mainstream Muslim activists of ICMI were willing to assume an accommodatory stance prepared to temper their earlier opposition to regimist *Pancasila* in return for a chance to work within the bloc and, with Presidential support, for an opportunity to more effectively promote their alternative vision of a more Islamicised society in which government reflected more closely Islamic values. While Suharto's voice on *Pancasila* had changed during the post-*azas tunggal* and *Keterbukaan* eras, his overall *Pancasila*-ist position remained firm and his regime refused to compromise its concept of a secular-nationalist state. By supporting ICMI to improve his personal socio-political legitimacy Suharto co-opted an influential segment of Islam and in return seemed prepared to weaken the New Order's prohibition on religious expression by opening the door to *politika-Islam*. Mainstream Muslim activists remained under no illusion that even though the era permitted more space for political debate, verbal opposition to an uncompromising regimist *Pancasila* would see their newfound access to national socio-political discourse quickly removed. The President and, to a lesser degree, ABRI continued to set the limits of permitted debate on the role of Islam and

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<sup>835</sup> Ramage (1995) p. 76.

the state but the parameters of discourse had become blurred. Establishment concerns focussed on a vocal NU and a regime-sanctioned ICMI seemingly appealing to the masses and hinting at a revival of the old ideological issues that had so disastrously aroused primordial instincts thirty years before. While both organisations represented respectively the intellectual strains of predominantly rural traditionalist and urban modernist Islam their cohesion was loosened by the uncompromising stances of the *Pancasila*-averse scripturalists and the *Pancasila*-tolerant accommodationists. With fundamentalist elements among the scripturalists willing to promote violence and societal chaos to achieve their ends, the fear that political and institutional links might develop between extremist Islam and elements within the elites suggested that a diverse range of secular-nationalist interests might be forced to create balancing alliances with the military to protect their interests.

Establishment elites traditionally feared sectarianism returning to contemporary politics as much as they generally distrusted party-political processes linked to grass-roots mass society. However much they feared mobilisation around religious issues, the ruling elites were also concerned at the likelihood of religious mobilisation linking to calls for more democracy and the wider political participation such linkages implied. The major concern shared by most secular-nationalists was that emotional ideological issues might inspire and arouse mass behaviour that ABRI's reinvigorated *Kewaspadaan* doctrine could justify overstating as an excuse to directly hinder any efforts towards more democratisation. New Order economic development had been premised on an earlier assurance that at some time in the future broader political participation would be permitted, but due to the New Order view of the particular nature of Indonesian socio-political society, liberal democracy was constantly depicted as contrary to *Pancasila*. Leading Indonesian democratisers disagreed, maintaining Wahid's line that the very nature of Indonesian society made *Pancasila*, notwithstanding its less than liberal interpretations by the New Order, an essential prerequisite for democratisation.

Maintaining the New Order bloc required moral and intellectual leadership sustaining legitimacy through its exclusive interpretation and representation of *Pancasila*. However, from the late 1980s more open debate, although clearly restrained, encouraged a broad range of interests to offer ideological alternatives that increasingly and vocally challenged the bloc's hold on ideological

representation and, as such, New Order hegemonic legitimacy. Having depoliticised society for a quarter of a century by exclusively and restrictively representing *Pancasila*, the bloc had denied any alternative form of moderate, secular, socio-political expression. *Keterbukaan's* new era of openness offered the traditionalist and modernist strains of Islam, represented by NU and ICMI respectively, an opportunity to demonstrate that considerable socio-political space had opened for so-called non-political organisations such as theirs to challenge bloc moral and intellectual legitimacy. *Kewaspadaan's* demand that the military remain ideologically vigilant not only challenged ABRI's traditional internal cohesion, but also focused opposition upon the New Order's prime instrument of the coercive side of ideological conformity.

Gramscian hegemony is an unceasing, remorseless, process of struggle and by definition a dynamic affair to control the hearts and minds of subordinate classes. Hegemony's work, so to speak, "is never done."<sup>836</sup> As the 1990s unfolded the New Order bloc's moral and intellectual right to leadership, underpinned by its exclusive representation of the bloc's binding ideology, faltered through its inability to assimilate the key views and values of a prime segment of hegemony's subordinated masses. Although the bloc had captured intellectually a significant accommodationary segment of resurgent Islam, diverse elements remaining outside the power frame offered the potential for the formation of an effective counter-hegemony. Gramscian hegemony is all about social and political control combining coercion (the threat of physical force) with consent (ideological legitimacy through intellectual, moral, and cultural persuasion) but as the 1990s evolved the New Order faced increasing challenge to its exclusive representation of the latter in attempting to legitimise the former. In terms of Gramsci's intellectual duality, Islamic scripturalism came to assume a traditional intellectual position that starkly contrasted the alternative traditional intellectual character of the various accommodationist forces aligning themselves with demands for reform, human rights, and socio-political change under the banner of *reformasi dan demokrasi*. Two potentially counter-hegemonic amalgams thus threatened the bloc but also represented two irreconcilably opposed moral and intellectual constituencies.

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<sup>836</sup> Gramsci cited in R. Miliband, *Capitalist Democracy in Britain*, (Oxford University Press, Oxford, 1982), p. 76.

Ultimately, by questioning the legitimacy of the bloc's exclusive representation of the state ideology *Pancasila*, both traditional and organic intellectual sources were offering alternatives to the official ideological discourse that had underwritten New Order hegemony for some thirty years. Alternative ideological renderings faced profound difficulties in coalescing into a *cohesive* counter-hegemony but the consequences of their efforts challenged hegemony's ideological legitimacy. In the hands of those who had used it so effectively previously, *Pancasila's* utility as the ideological pillar of the regime's socio-political agendas had been undermined and the bloc had clearly entered a state of moral and intellectual obsolescence.

The important consideration in summarising this chapter has been the extent to which the Suharto New Order's ideological arrangement of Indonesian life - its ideological bloc - matched that crucial aspect of Gramscian hegemonic order of consensually underpinning the New Order's ideological legitimacy. This section summarises the Suharto New Order's effectiveness in legitimising its socio-political and economic interests through its exclusive arrangement and representation of ideology and argues that Gramsci's insights are robust in the context.<sup>837</sup> Yet the behaviour of the New Order ideological bloc in terms of the Gramscian model showed distinct shortcomings. Notwithstanding Islam's prevalence, *Pancasila's* hegemonic representation as state ideology and the pillar of a secular-nationalist state became increasingly unconvincing to the majority therefore the consensual aspect of hegemonic legitimacy was questionable. While the Gramscian model remained sound in the Indonesian context, its imperatives in terms of New Order hegemonic observance was progressively more deficient.

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<sup>837</sup> Dante Germino, *Antonio Gramsci: Architect of a New Politics*, (Louisiana State University Press, London, 1990), p. 177.

## *Chapter 7*

### *New Order collapse*

The Suharto New Order came to an end in 1998 after a regional economic crisis in 1997 had spread financial chaos into Indonesia and catalyzed the socio-political deterioration that had been gaining momentum during the 1990s into regime collapse. This chapter will explore the ‘twin crises’ approach by way of a narrative summary as to how a disparate range of domestic social forces demanding political reform, an end to corruption, nepotism, growing economic inequity and poverty, came together temporarily under the rubric of *reformasi dan demokrasi* and placed irresistible pressure upon Suharto’s Presidency leaving him no alternative but to resign. The chapter will conclude with first a summary of the events that led to the New Order’s demise and follow with an explanation that will highlight the utility of the Gramscian approach that explains regime failure in terms of the historic bloc model. Before turning to the specific conclusions of the final chapter, this summary highlights the key elements of the thesis’s Gramscian ideological approach by discussing the explanatory value of the three economic, political and ideological components of the New Order historic bloc as a more useful alternative to the ‘twin-crises’ approach.

During the late 1980s, believing himself to be increasingly estranged from his most potent instrument of socio-political control, the ABRI leadership, Suharto attempted to adjust his New Order ‘pyramid of power’<sup>838</sup> by re-aligning the alliance of elite interests that sustained his authority. Maintaining cohesion and stability during the early 1990s required the President constantly having to balance the two powerful socio-political resources of the military and Islam. His efforts proved reasonably successful until the impact of the regional economic crisis compounded growing domestic socio-political problems and ultimately led to his resignation and the collapse of the New Order.

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<sup>838</sup> The President, his compliant military, his supportive, predominantly Islamic, techno-bureaucratic ‘middle class’, and an accommodative, predominantly Sino-Indonesian capital class: refer below, chapter 5, section 1.2, pp. 188-189.

An Islamic cultural resurgence from the mid-1980s, and subsequent Islamic socio-political rehabilitation contrasting a process of ideological deepening through military doctrinal refurbishment, set the stage for the ideological and socio-political questioning and scrutiny that came to dominate the 1990s. To counter his perceived loss of support from the military senior leadership, Suharto offered accommodatory modernist intellectual Islam a more influential socio-political voice but his move, coming with his call for more socio-political openness, while perplexing and angering elements within the military, offered encouragement to the diverse range of interests calling for reform and change. Suharto's move polarized positions within both Islam and the military that varied between preservation of the socio-political status quo based upon a regimist representation of the *Pancasila* and demands for varying degrees of change. The progressive Islamisation of the military command structure highlighted the disunity within an institution that had for some twenty-five years represented Suharto's loyal, unified, support base. The invigorated Indonesian Islam of the 1990s in turn polarized around leaders and positions previously unacceptable to the New Order. Islamic modernists and traditionalists, pious *santri* and syncretist *abangan*, all assumed positions that exhibited varying degrees of accommodation with the New Order's version of a *Pancasila-ist* state in return for a deeper Islamisation of Indonesian life and a louder voice in socio-political affairs. Rigid Islamic scripturalists and defiant Islamic fundamentalists called for no less than an Islamic state. ABRI, the regime's socio-political and economic elites, and the burgeoning, upwardly mobile, urban middle-class professionals, civil servants and businessmen watched anxiously, entered the debate, and pondered the inevitability of a future without Suharto firmly at the helm.

Increasing disunity among the ruling elites, broad intellectual cleavages within the religious leaderships and mass demands for *reformasi dan demokrasi*, all had a significant impact on the socio-political resources of both the military and Islam. Finally, with the collapse of the Indonesian economy in 1997, the alliance of elite interests based on ideological conformity that had underpinned and legitimized the New Order 'pyramid of power' for some three decades disintegrated and President Suharto resigned.

For some three decades the New Order had systematically depoliticized mass society and desensitized socio-political consciousness to the extent that popular

interests could only be channelled ‘upwards’ through the constrained *Pancasila*-ist socio-political system. Although they traditionally assumed oppositional socio-political stances, the willingness of popular leaders Rais and Wahid (representing modernist and traditionalist Islam respectively) and Megawati (representing democratic populism) to accommodate the demands of the New Order *Pancasila* state failed the socio-political aspirations of the popular masses when the nation was brought to the verge of chaos by the 1997 economic crisis. It was left to the student leadership to co-ordinate popular opposition to Suharto and the demands of the masses for *reformasi dan demokrasi*. During the early and mid-1990s the ‘upward’ aspirations of middle-class Indonesians had found accommodation with the regime through the state organs GOLKAR, ICMI, ABRI, the bureaucracy, and their particular religious orientation. Their response to the succession of crises was to withdraw their support from Suharto and constrained by their latent conservatism, rather than coalesce into a coherent opposition, remained estranged from the student-led popular masses that had come together to bring the regime down.

The ‘twin crises’ explanation of the New Order’s collapse is best described as concurrent ‘socio-political revolution’ and ‘economic breakdown’ and this chapter will detail the progression of events leading to the collapse of the Suharto New Order in order that they can be tested against the Gramscian notion of hegemonic obsolescence and decay and the possible emergence of a coherent counter-hegemony. The mounting socio-political uncertainty of the early 1990s will first be described followed by a discussion on ABRI’s deteriorating socio-political position in the lead-up to Suharto’s resignation. Section 3 outlines the consequences of socio-political Islam’s resurgence during the period and enables discussion as to whether the phenomenon represented an emergent counter-hegemony. Section 4 describes the Indonesian economy of the early 1990s and the reasons for its collapse in 1997/8 following the Asian economic crisis in terms of a collapse of the New Order economic bloc. Section 5 describes the socio-political crisis of the final months of the New Order in terms of the regime’s loss of establishment support catalyzed by student-led popular revolution in terms of hegemonic obsolescence and decay within the New Order political bloc.



## 1. *The 1990s: Mounting socio-political uncertainty and challenge*

President Suharto's 1990 *keterbukaan* initiative inviting socio-political openness demonstrated his belief in the legitimacy of his regime's socio-political position and suggested the New Order was satisfied with the invulnerability of their socio-political domination. Generally successful economic development, *azas tunggal*'s tacit demonstration of ideological cohesion, ABRI's dogmatic *Pancasila*-ist stance, and a resurgent Islam co-opted into accommodating the socio-political and ideological status quo, implied the New Order and Suharto's position were secure. By encouraging socio-political debate *keterbukaan* opened the way to an intense questioning of the logic that underpinned the New Order's socio-political pretensions and in particular the regime's exclusive representation of *Pancasila*.

The emergent nationalist-populist moods of the 1990s drew political sustenance from the social inequalities that seemed to represent the New Order's idea of successful economic growth. The moods only legitimate political outlet was Megawati's secular-nationalist orientated, and politically marginalized PDI, but her 'echo' of Sukarnoism troubled ABRI deeply.<sup>839</sup> Elements of the PDI leadership had received, if not support, certainly encouragement from the military group that had been associated with the Christian Moerdani prior to his removal from the power frame in 1993.<sup>840</sup> While opposition to the regime from PDI's lower-class, urban support base was little more than implied, middle-class critics found encouragement from a dramatic growth in the number of non-confrontational NGOs during the 1980s to the extent that from the early 1990s an embryonic state-civil society distinction was discernable.<sup>841</sup> Given their stake in continued economic progress and sustained social stability it was hardly surprising that the inherently conservative growing middle class that had profited under the New Order hoped for a continuation of the socio-political status quo.<sup>842</sup> As the major economic and social beneficiaries of a quarter century of successful economic development, the new middle classes had become highly

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<sup>839</sup> Edward Aspinall, 'The broadening base of political opposition in Indonesia', in Gary Rodan, (Ed.), *Political Oppositions in Industrialising Asia*, (Routledge, London, 1996), p. 230.

<sup>840</sup> Aspinall, (1996), p. 231.

<sup>841</sup> Aspinall, (1996), p. 232. Ariel Heryanto, 'Indonesian middle-class opposition in the 1990s', in Gary Rodan, (Ed.), *Political Oppositions in Industrialising Asia*, (Routledge, London, 1996), p. 241.

<sup>842</sup> David Martin Jones, *Political Development in Pacific Asia*, (Polity, Cambridge, 1997), p. 148.

dependent on state patronage so political pluralism and any open lobbying from an autonomous civil society promised to be problematic.<sup>843</sup> A combination of mainly material rewards for participation in the system, fear of their removal, sanctions and even coercion if the system was challenged, gave form to a largely ambivalent and constrained middle-class generally indifferent to change and indisposed to pressuring for more constitutional processes.

The distinctions between the regime and its opponents that took form in the early 1990s were more about growing tensions between the Executive and elements of the senior military contrasting an apparent rapprochement between the President and a potential Islamic constituency.<sup>844</sup> The extraordinary reconciliation between the highest levels of regime power and an accommodative modernist stream of Islam would not have occurred had basic ideological differences not been removed by *azas tunggal* back in the early 1980s. The sizeable educated Islamic middle-class emerging during the 1980s made rapprochement a socio-political necessity if the regime was to sustain its socio-political legitimacy.<sup>845</sup> Secular-nationalist and liberal concerns at Islam's nascent ascendancy, voiced by such powerful populist leaders as Wahid and Megawati, were also shared generally by the middle ranks of the military. Paradoxically, not only did the secular-liberal dissidents view President Suharto's resignation or retirement as a necessary pre-requisite to any future democratization, they also regarded a strong, stabilizing, military as not only essential but inevitable in any future post-Suharto socio-political arrangement.

President Suharto's calls for socio-political openness in his Independence Day speech of 16 August 1989 showed the New Order was prepared to ease constraints on free speech.<sup>846</sup> While reform, he claimed, needed to be balanced with continuity and lessons had to be learned from the experiences and mistakes of the past, the persisting factor, essential to the nation's unity and considered "sacred ... essence unchallenged", must remain *Pancasila* and the 1945 Constitution.<sup>847</sup> While national development required constantly balancing *Pancasila* as a framework for

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<sup>843</sup> Jones, (1997), p. 148.

<sup>844</sup> Aspinall, (1996), p. 235.

<sup>845</sup> Robert Hefner, 'Islam, State, and Civil Society: ICMI and the Struggle for the Indonesian Middle Class', in *Indonesia*, No.56, 1993, pp. 1-35.

<sup>846</sup> President Suharto's speech commemorating Proclamation Day is quoted in full in David Bouchier and Vedi R. Hadiz, (Eds.), *Indonesian Politics and Society: A Reader*, (Routledge Curzon, London, 2003), pp. 192-5.

<sup>847</sup> Bouchier and Hadiz, (2003), p. 192.

reconciliation, the ideology nevertheless needed to be “opened” to enable “fresh and creative” ways of responding to the demands of modernity and change.<sup>848</sup> Addressing the nation a year later, and again in the context of *Keterbukaan*, the President continued the theme: competing demands and a “diversity of viewpoints and opinions” had to be complimentary if progress was to be achieved.<sup>849</sup> Democracy, the President insisted required consultation and discussion and “to fear diversity of opinion” was to doubt *Pancasila*’s power and hinder its evolution as the national ideology.<sup>850</sup> A new era of consultation had clearly dawned.

To Indonesia’s “dynamic society and its growing middle-class” *Keterbukaan*’s invitation for broader political debate was seen as not only implying more opportunity for expression but also that Suharto was of the belief that successful economic growth needed to be accompanied by a higher level of political liberalization.<sup>851</sup> The top level of the New Order regime clearly felt that their socio-political domination was total. Whereas Suharto had previously relied on his generals for support, *Keterbukaan* now offered a rationale for listening more to civilians. Suharto’s National Day address on August 16, 1993, actually conceded that “differences of opinion are legitimate ... socio-political organization ... and other state institutions are gradually [having to become] more aware of their respective missions and functions.”<sup>852</sup> Nonetheless, the New Order had little tradition of public debate or loyal opposition so openness was regarded with caution and taken by the middle-class generally, and the military in particular, to represent a potentially dangerous threat to socio-political stability. *Keterbukaan* seemed to threaten their vested interests in sustaining the socio-political status quo.<sup>853</sup>

## ***2. ABRI: status quo versus change***

Outwardly, ABRI was aware that by calling for more socio-political openness and debate the President was widening the gap between them and the people

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<sup>848</sup> Bouchier and Hadiz, (2003), p. 194.

<sup>849</sup> Bouchier and Hadiz, (2003), p. 195.

<sup>850</sup> Bouchier and Hadiz, (2003), p. 195.

<sup>851</sup> John McBeth, ‘Challenges of progress: Managing change brings new approaches at the top’, *Far Eastern Economic Review*, April 28, 1994, p.44. David Martin Jones, ‘Democratisation, Civil Society, and Illiberal Class Culture in Pacific Asia’, in *Comparative Politics*, Vol. 30, No. 2, 1998, p. 157.

<sup>852</sup> Michael R. J. Vatikokis, *Indonesian Politics Under Suharto: The Rise and the Fall of the New Order*, (Routledge, London, 1998), p. 216.

<sup>853</sup> Jones, (1998), p. 158.

they were ideologically committed to serving. Inwardly their concern was to preserve their future or, more specifically, their privileged position in Indonesia's socio-political system following inevitable Presidential succession. While many officers of the new generation doubted the validity of their twin socio-political functions, others saw any change to *dwi fungsi* as likely to undermine their relevance in politics and, by implication, their ability to influence a future regime change. While *dwi fungsi* had been born of necessity out of ABRI's view that politics was too serious a matter to be left to politicians, the doctrine now seemed anachronistic and had evolved to the point where many within the military acknowledged it was more protective of corporate privilege than national interests.<sup>854</sup> Moreover, Suharto's power had become such that if it was to his benefit to do so, he could bypass ABRI. *Keterbukaan* enabled the President to choose selectively from new civilian political constituencies and thereby exploit divisions within Indonesian society. By sanctioning the Muslim ICMI he not only appeared to contradict the traditional regime aversion to sectarian politics but also acquired an influential Islamic constituency in the build-up to the 1993 Presidential elections. The President had targeted indigenous accommodatory Islam as a potentially complimentary support-base to GOLKAR and a "useful barricade" against ABRI influence.<sup>855</sup>

## ***2.1 ABRI doctrinal reaffirmation through 'Kewaspadaan'***

During the 1980s, the previously close, mutually advantageous, ABRI cohesion came under serious scrutiny through differing perceptions within the officer corps as to how Indonesian society should continue to evolve and the military's place within it. The 1990s saw the generals under growing pressure to adapt the ideological pretensions reflected in military doctrine to include the new range of demands emanating from Indonesia's rapidly changing society. But mainstream calls for less exclusive political participation, human rights accountability and, in particular, an end to the military's intensive socio-political intrusion, were seen by the senior command as seriously challenging their pre-eminent role. ABRI responded by updating its ideological foundations through doctrinal refurbishment that interpreted any form of

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<sup>854</sup> Michael Leifer, 'The Challenges of Creating a Civil Society in Indonesia', in *The Indonesian Quarterly*, Vol. XXIII, No. 4, Fourth Quarter, 1995, p. 358.

<sup>855</sup> Vatikiotis, (1998), p. 159.

socio-political dissent as national threat and, as such, a legitimate target of their more coercive defensive instincts.<sup>856</sup> Sustained by a doctrine that was integral to regime legitimacy and that insisted on societal stability as a necessary prerequisite to sustained economic and socio-political development, ABRI's ideological mission, self-defined through *dwi fungsi*, claimed permanent defence and socio-political roles. As long as the threat persisted, the potential for instability remained, fortifying and sustaining their perceptions and heightening the need for constant vigilance. Sustaining the notion that national threat persisted required a degree of imagination and in February 1988 doctrine was adjusted and formalized into *Kewaspadaan* to broaden the likely source of threat and prioritize on-going socio-political vigilance.<sup>857</sup>

Effectively *Kewaspadaan* institutionalized into doctrine the military leadership's belief that *Pancasila* society had come under threat from a new array of subversive groups and ideologies.<sup>858</sup> To the military high command *Kewaspadaan* provided essential doctrinal value in that it served as a timely reminder that their institution's legitimacy rested upon its acceptance by society at large as the foremost guardians of the national interest. Defending established self-perceptions of its sacred role against growing calls for an end to *dwi fungsi* (and in particular demands that the military return to the barracks) through a doctrine that demanded renewed vigilance at every government level, required the military being able to identify threats to national stability even though they might not necessarily exist. The doctrine struggled to insist that *Pancasila* and the 1945 Constitution were being challenged by such destructive foreign values as democratic political participation and humanitarian rights and regime critics saw *Kewaspadaan* as little more than another self-justifying "tool of popular repression".<sup>859</sup> To ABRI's leadership, reinforcing doctrinal commitment to *Pancasila* through *Kewaspadaan* was a sensible ideological fortification for challenging times and offered a useful tool to control the pace and degree of socio-political change and, ultimately, Presidential transition. The President's *keterbukaan* (openness), initiative by implying that the boundary of permissible political discourse

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<sup>856</sup> Jun Honna, 'Military Ideology in Response to Democratic Pressure During the Late-Suharto Era: Political and Institutional Contexts', in *Indonesia*, Number 67, April, 1999, p. 78.

<sup>857</sup> Honna, (1999), p. 82.

<sup>858</sup> As well as re-affirming the threat of Marxist ideology (albeit under different guises) the *Kewaspadaan* doctrine rejected the capitalist-liberal model of society: that is both Communism (based on 'class') and capitalism (based on the 'individual') were somewhat vaguely seen as threatening to undermine the basis of *Pancasila*. Honna, (1999), pp. 81-3.

<sup>859</sup> Honna, (1999), p. 87.

had expanded and that some latitude was now permitted to publicly criticize the military, clearly contradicted ABRI doctrine.<sup>860</sup> The depth of antagonism the subject provoked among some elements of the military was clear when General Try Sutrisno, ABRI Commander (and Moerdani protégé), challenged the reformist atmosphere by firmly declaring that *dwi fungsi* was not to be publicly debated.<sup>861</sup> The swing of discussion and contradiction served to highlight the differences between the President and some elements of the military leadership as to *dwi fungsi*'s place in the modern era but after three decades of totally dominating Indonesian life, Suharto's regime could hardly remain impervious to the growing demands for change.

## 2.2 *Keterbukaan and New Order cohesion*

ICMI's signal of Suharto's apparent rapprochement with Islam seemed to be in response to his perception that support from senior elements of the Armed Forces leadership was cooling. An accommodative ICMI appeared to offer Islam the prospect of greater political leverage over the affairs of the state and as such a clear strategy by the President to counter a challenge to his authority from the military.<sup>862</sup> The most conclusive evidence of a rift between the President and the military came as a result of the Dili, East Timor incident in 1991 when, for the first time, New Order officers of senior rank were cashiered. *Keterbukaan* had been intended to stimulate more general critical debate on the political situation but effectively deepened antagonisms between the President and key elements of ABRI's leadership and provided encouragement to those determined to undermine ABRI's political activities and interests.<sup>863</sup>

*Kewaspadaan*'s reassertion of ABRI'S ideological mission appeared increasingly at odds with the President calling for *Keterbukaan* as a means of coping with the pressures on his authority and direction from Indonesia's changing society of the 1990s. Suharto's address to the ABRI leadership in November 1990, implying that a shift was needed in ABRI's role in socio-political life and that he intended to

<sup>860</sup> Jun Honna, *Military Politics and Democratisation in Indonesia*, (Routledge, London, 2003), p. 12.

<sup>861</sup> Rolls, (1994), pp. 8-9.

<sup>862</sup> Muhammad AS Hikam, 'Islam and the Empowerment of Indonesian Civil Society', in *The Indonesian Quarterly*, Vol. XXIV, No. 1, First Quarter, 1996, p. 32.

<sup>863</sup> Honna, (2003), p. 15.

limit the political aspect of the military's *dwi fungsi* mission further, dismayed his generals.<sup>864</sup> Moerdani's sidelining, ICMI's provocative sectarian implications, the Dili cashierings and setting up a National Commission for Human Rights in 1993, were all seen as clearly undermining ABRI's influence. Antagonism continued through the 1992 elections with the military retaliating by adopting a more neutral position towards GOLKAR, publicly supporting Megawati's PDI, and announcing their own nominee for vice-President without following tradition and waiting for Suharto to announce his preference.<sup>865</sup> The President's response was typically firm, Moerdani's remaining supporters in command positions were removed and the senior officer corps was comprehensively restructured with officers more amenable to Suharto who turned to cronies, associates, former aides, and family members, to build a new loyal military support base.

### ***2.3 1993: Intra-military cohesion and GOLKAR/ABRI/ICMI rapprochement***

Notwithstanding the removal of Moerdani's divisive influence, the President's support for the rise of Muslim officers confirmed by Muslim General Feisal Tanjung's appointment in 1993 as ABRI Commander-in-Chief, and the sustained *Keterbukaan* approach now fine-tuned more to supporting Suharto's new-found Islamic base, intra-military cohesion remained fragmented. But the meteoric rise of the President's son-in-law, the Muslim Lt. General Prabowo, as commander of the Special Forces, the Golkar/ICMI linkage, the mobilization of Muslim issues in the context of military policies, and *Kewaspadaan's* dogmatic approach to popular movements were by no means supported by the majority of senior and middle-ranking officers.<sup>866</sup> Their disenchantment was not only with their leadership's erosion of military socio-political credibility, but also with the advantages enjoyed by officers promoted from Suharto's circle, and the likely damage to career prospects if views were expressed contradicting policy and doctrine. It therefore fell to safely retired

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<sup>864</sup> The President had used the Javanese expression *tut wuri handayani* that means to support ones children from behind as one would in, say, teaching them to walk and implying, in the context of socio-political development, a less intrusive, and more supportive, role than the military had previously regarded as legitimate within their interpretation of *dwi fungsi*. Honna, (1999), p. 90.

<sup>865</sup> Honna, (1999), pp. 91-2.

<sup>866</sup> Honna, (1999), pp. 102-6.

senior generals, no longer concerned about career prospects, to criticize the regime on behalf of reformist-inclined serving officers. From retirement they criticized *Kewaspadaan*, and what they regarded as the increasing illegitimacy of ABRI's socio-political mission insisting that the time had come to reassess the military's role in the face of new socio-political realities. However, their complaints were being made from the peripheries of political power.

Harmoko's appointment in 1993 as the first civilian GOLKAR chairman since the creation of the party, with strong support from the President, Army Commander-in-Chief Tanjung, and ICMI Chairman Habibie, showed that ABRI had moved even closer to GOLKAR paralleling the concerns the issue of socio-political sectarianism was raising amongst elites outside of the ABRI/ICMI/GOLKAR power axis. However, although differences in opinion among medium-level officers were apparent, between ICMI supporters and the secular-national camp, over the leadership's different partners in GOLKAR, and over ABRI's public image as little more than a tool of Suharto's political ambitions, the reconstituted Armed Forces senior command itself remained decidedly pro-Suharto from 1994.

#### ***2.4 1995: The reinforced GOLKAR/ABRI/ICMI power axis and ABRI's growing Islamisation***

Muslim Lt. Gen. Hartono's appointment as Army Chief of Staff in February 1995 with full ICMI and GOLKAR support joining Muslim Gen. Feisal Tanjung, the Commander-in-Chief since 1993, signified that the upper levels of ABRI's leadership was completely Islamised. The strengthened GOLAR/ABRI/ICMI power axis of 1995/6 reflected that elite cohesion was strong but ABRI's closer association with GOLKAR raised important concerns. The split between ICMI's Islamic accommodationists and its secular-nationalist and reformist inclined opponents, vocal intra-military cleavages, and the military's image as a mere tool of the President's interests, exacerbated tensions. A shabby attempt by the military to remove Megawati from the PDI leadership and *Kewaspadaan*-induced attacks on Communist 'ghosts' demonstrated that the military's repressive instincts remained intact and at the President's disposal.



ABRI's ideological orientation, as expressed by the current Islamicised leadership, had narrowed and the now fully operational *Kewaspadaan* doctrinal approach not only re-affirmed military self-perceptions of socio-political and ideological legitimacy, but had become a powerful instrument with which the ABRI leadership could confront and re-articulate reformist demands. But while the widening socio-economic gap, rampant government corruption, religious disharmony, and overt societal distrust of the military's socio-political role presented opportunities for social disorder they also served to validate military perceptions that the need for heightened social surveillance was justified. Responding to the threats inherent in *Keterbukaan's* call for openness, dialogue, and participation, *Kewaspadaan's* ideological fortification seemed to offer the military leadership the only appropriate option if they were to control the pace and degree of inevitable socio-political change and ultimately regime transition. With the GOLKAR/ABRI/ICMIC axis representing new-found regime solidarity, officers below the senior command structure were able to do little more than 'blur' the growing contradiction between preservation of the socio-political status quo and the growing calls for *reformasi dan demokrasi*.<sup>867</sup> The structural nature of the President/military relationship remained in place, *dwi fungsi* continued to characterize ABRI's role over the nation, and to ensure they maintained some hold on the centre of political power the conservative military senior command remained overtly loyal to the President.

### ***3. Islam: status quo versus change***

Despite the New Order having peripheralised *politika-Islam* for some two decades, regime challenge from the late-1980s occurred within the context of *reformasi* socio-politics and Islam's cultural and political resurgence. To ameliorate Islam's challenge the New Order employed its hitherto highly successful persuasive technique of splitting its opposition and co-opting the politically and socially significant modernist intellectual element of Indonesian Islam willing to accommodate the regime's secular-nationalist representation of *Pancasila*. Intellectual Islam represented the second most powerful socio-political intellectual resource after ABRI and with *reformasi* drawing together an array of intellectual

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<sup>867</sup> Honna, (1999), p. 118.

forces potentially antagonistic to New Order domination, intellectual Islam became a critical arena in any re-arrangement of the ruling alliance structure. Since Indonesian Islam was far from monolithic, the various intellectual strains of Indonesian Islam also tended to overlap those of the secular-nationalist and liberal-democratic forces staking their future on growing discourse demanding the changes symbolized by *reformasi dan demokrasi*.

The executive office maintained its firm grip on power throughout the early 1990s and although the President and ABRI continued to set the limitations of political discourse and participation the parameters of authority became increasingly blurred. Elites, both inside and outside of the power framework, were forced to confront issues that questioned the New Order socio-political arrangement and its exclusive representation of *Pancasila* to underwrite the legitimacy of its leadership. The matter of Presidential succession also preoccupied elite political thought as did a fear that close political and institutional links between Islam and the state had the potential to revive the old ideological issues and 'primordial' politics of the violent mid-1960s. Paralleling Islam's international revival, Indonesian Islamic intellectual and cultural life was thriving but its socio-political potential for activism now hinted at sectarian politics mobilizing the masses around religious, democratic and human rights issues. Secular nationalists, although ever conscious of the tenuous causal link between emotional ideological issues and mass behaviour remained politically impotent and marginalized to the peripheries of political expression by the New Order's restrictive and exclusive interpretation of the *Pancasila* state. Yet Indonesian Islam, through accommodative traditionalist NU and accommodative modernist ICMI, demonstrated that so-called non-political organizations could actively participate on what had become a more open socio-political terrain. Secular-nationalists saw the organizations' implied sectarianism as provocative and evoking the awful image of political organization reaching out to the unpredictable masses.

### ***3.1 ICMI and Muslim accommodation with the New Order***

The Islamic Intellectual Association (ICMI) was generally considered to counter-balance Suharto's perception that he had lost the support of a new generation of secular-nationalist military officers looking beyond his leadership. As well as the

Association's tacit sectarian implications, elements within the military were particularly troubled by Habibie's chairmanship because the role offered the President's favourite an opportunity for a civilian to consolidate an independent Islamic constituency outside that of military influence. Looking towards a time without Suharto in charge, the military leadership saw ICMI as a modernist Islamic pseudo-political organization and, notwithstanding its accommodationist position, that its channelling of formerly depoliticized Muslim aspirations into socio-political policy could threaten the secularism underpinning *Pancasila*.<sup>868</sup> Clearly after some twenty-five years of New Order socio-political engineering the role of Islam needed to be reassessed in the context of change and the introduction and dissemination of the secularistic ideas and practices that accompanied modernization challenged the social roles of the religious elites.<sup>869</sup> Modernisation's proliferation of such professional groups as the politically nuanced ICMI not only questioned the religious elites' traditional roles but also the legitimacy of their influence over mass communities. At the same time modern secular knowledge, attuned and adjusted to modern realities, was tending to push traditional knowledge and religious teachings to the background.

Prior to ICMI Muslim communities had been permitted little space to articulate political aspirations outside *Pancasila*'s narrow precepts. The merging in 1973 of all Islamic political parties into the docile PPP had marginalized Islam out of the political arena and discredited it as anti-*Pancasilist* thus ensuring that Muslim political aspirations remained repressed. The Islamic elites were left with but two alternatives; rejection of the New Order *Pancasila* state, or accommodation within it. ICMI's accommodation took the line that Islam could progress as part of the New Order corporatist arrangement outside of the decision-making process but offered hope that they could eventually influence reform from above. Accommodationists also believed that Islam could be strengthened from outside the state through such socially orientated organizations as NU and *Muhammadiyah* and ICMI's sanctioning after decades of *politik-Islam*'s repression, seemed to have vindicated this strategy. An alternative accommodationist view saw a more inclusive Islam that could empower Indonesian society overall by aligning with the diverse yet compatible societal forces of secular-nationalism demanding *reformasi dan demokrasi*.<sup>870</sup> Wahid

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<sup>868</sup> Editorial, *Far Eastern Economic Review*, March 27, 1997, p. 14.

<sup>869</sup> Hikam, (1996), pp. 32-3.

<sup>870</sup> Hikam, (1996), pp. 33-7.

was the most vocal proponent of this approach but warned against Indonesian Islam's disintegrative potential when used competitively. He argued that the New Order's secular-nationalist form of the Republic was its final form and, as such, common socio-political interests should be found within *Pancasila's* confines.<sup>871</sup> But his inclusivist view of Islam providing a moral and ethical foundation for a more egalitarian Indonesian state was incompatible with the state-orientated strategy of empowerment proclaimed by his scripturalist opponents who desired no less than the total Islamisation of all Indonesian affairs. While proponents of the former stance tended to enjoy some degree of state support and elite patronage, those of the latter remained outside the system (with little chance of joining it if ABRI had its way), their sectarian goals only achievable through the fundamentalist agenda. Nevertheless, during the final months of the New Order some ABRI officers and units were suspected of working with fundamentalist and scripturalist elements possibly to incite societal chaos and thereby justify a military coup.

#### **4. *Economic failure***

The first direct questioning of the New Order's status quo economic arrangement came during the post-oil boom, de-regulatory reform years after 1986 but the relatively small number of Indonesian reformist-inclined, 'de-regulationist' liberal economists opposing the economic status quo (and backed by the World Bank) represented a disparate and somewhat ineffectual grouping. By the beginning of the 1990s, notwithstanding a few years of minimal reform, economic power remained firmly in the hands of the predominantly Sino-Indonesian conglomerates and their politico-business family supporters. De-regulation had generally failed to produce the more liberalized market environment demanded so the reformers turned their attention to opening market institutions and establishing more enforceable regulatory frameworks. They met strong opposition from powerful vested interests within the bureaucracy and from among the conglomerates and politico-business families.<sup>872</sup> From the outset alliance leverage over state and capital had rested upon maintaining a

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<sup>871</sup> Cited in Andree Feillard, *Traditional Islam and the State in Indonesia: Flexibility, Legitimacy, and Renewal*, (East West Center, Honolulu, 1993), p. 21.

<sup>872</sup> Richard Robison, 'Politics and Markets in Indonesia's Post-oil Era,' in Gray Rodan, Kevin Hewison, and Richard Robison, (Eds.), *The Political Economy of Southeast Asia: An Introduction*, (Oxford University Press, Melbourne, 1997), p. 48.

qualitative homogeneity - or alliance of domination - amongst a group of key economic players.<sup>873</sup> Firmly controlling more than two decades of economic policy and strategic direction the strata of politico-bureaucrats charged with managing the highly regulated economy had effectively prioritized and institutionalized the alliance's interests over those of the mass majority.<sup>874</sup>

From the early 1990s market demands forced deregulation and the necessary policy adjustments put alliance cohesion under increasing scrutiny.<sup>875</sup> If they were to continue, deregulation required successfully managing and diffusing socio-political resistance to the reform approach but as the new policy directions weakened the power and prestige of the bureaucratic elites, strong resistance came from within the ruling coalition. Forced to reduce state investment in the economy, state officials stood to loose control of the apportioning and allocation of economic and investment opportunity and, unless carefully managed, the deregulation processes threatened to literally unravel the economic and policy processes that underpinned the New Order economy. The market reconstruction the reforms represented were therefore not so much technical as very much influenced by political constraints and pressures.<sup>876</sup> If foreign capital was to be attracted improved market institutions and regulatory frameworks were required so policy shifts had to be made but sustaining the *dirigiste* state and its complex arrangement of bureaucratic, family, and corporate interests and alliances was becoming increasingly problematic politically.

The range and diversity of domestic manufacturing interests posed the major difficulty for reform. Deregulation placed the downstream producers and manufacturers that relied on domestic and foreign markets at odds with the interests of upstream manufacturers importing capital and intermediate goods, while domestic producers and manufacturers found difficulty competing with foreign imports once tariffs and quotas were lifted. The market-reform environment also seriously threatened the plethora of import monopolies underpinning the network of alliances

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<sup>873</sup> The alliance charged with sustaining economic hegemony comprised the strata of politico-bureaucrats that managed the New Order state (including the strategic state-owned corporations), an elevated bourgeoisie of large domestic 'client' groups (predominantly Sino-Indonesian), and sufficient international corporate capital deemed necessary – and adjusted accordingly – to achieve the regime's industrial and economic policy agendas.

<sup>874</sup> Richard Robison, 'Authoritarian states, capital-owning classes, and the politics of newly industrializing countries: the case of Indonesia', *World Politics*, Vol. XLI, No. 1 October, 1988, p. 71.

<sup>875</sup> Soesastro, (1989), p. 853. A. MacIntyre, (Ed.), *Business and Government in Industrialising Asia*, (Allen and Unwin, St. Leonards, 1994), p. 11.

<sup>876</sup> Robison, (1997), pp. 30-1.

between politico-bureaucrats and their corporate clients that often included members of the President's extended family and associates.<sup>877</sup> But the pressing need to develop non-petro-chemical exports forced the government to soften its demands upon downstream manufacturers. Reversing some of the 1986 reforms, while at the same time reducing some import monopolies, offered downstream domestic producers and manufacturers an exemption whenever imports critical to export manufacture became unavailable locally.<sup>878</sup> Domestic interests were dealt a blow when the government opened a number of sectors, previously closed to foreign investment, to foreign companies and permitted them to borrow from domestic banks to do so.<sup>879</sup>

#### ***4.1 Accommodating power shifts: 'technocrats' versus 'nationalists'***

Given that the relationship between government and business continued to be largely one of patron and client, contradictions between the interests of state and capital became increasingly problematic and acquired an increasingly political dimension. Powerful influences among the politico-economic elite vehemently defended self-gratifying economic-nationalist *Pancasila-ist* economic policies of state-led industrial deepening and opposed any loosening of the state's control and investment in the economy contrasting technocrats wanting the market opened to the realities and needs of modern capital movement.<sup>880</sup> The ardent economic-nationalist ICMI chairman, B. J. Habibie, was able to promote the position of Muslims in Indonesian economic life. His championing of value-added industry appealed to many middle-class Indonesians who felt that the export-orientated alternative, while

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<sup>877</sup> For accusations that the "blot of nepotism" and the complex networks of business and political patronage, including the activities of the President's family, hindered economic development see *FEER*, 30 April, pp. 54-8.

<sup>878</sup> By March 1986, some 1,100 products (within such areas as electronics, agricultural products, chemicals, machinery, motor vehicles, heavy equipment, and textiles) were subject to import licensing and it was reported that monopolies around steel, plastics, tin plate, cotton, and machinery were valued at about US\$1.5 billion per year. Anthony Rowley, 'Economic Schizophrenia,' *FEER*, 10 September, 1987, pp. 71-3.

<sup>879</sup> Robison, (1988), p. 67.

<sup>880</sup> The first group called the 'nationalist' economists, led by the influential Ministry of Industry Hartono and Minister of Research and Technology B. J. Habibie, favored import substitution and protecting domestic industries. Through their influence most areas of business and trade reflected the belief that international market restrictions should not prejudice domestic needs for employment and regional distribution of economic resources. Included in his group were a number of influential politicians close to the President whose interests lay in continuing the lines of patronage that provided business opportunities and other favours to New Order supporters such as themselves. The latter, the so-called 'Berkley Mafia' of Western-educated technocrats, favored outward looking policies aimed at encouraging an internationally competitive economy that would encourage foreign investment and the elimination of domestic subsidies and non-tariff barriers. Anthony Rowley, 'Who's who in Jakarta?' *Far Eastern Economic Review*, 10 September 1987, pp. 72-3. Soesastro, (1989), pp. 858-9.

offering low-paying employment for the masses of the poor, was of little benefit to *pribumi* middle-class business interests.<sup>881</sup> At the head of ICMI Habibie became the most powerful and influential of a number of Muslim economic nationalists determined to promote *Pancasila-ist* state intervention as a means of improving the economic position of the indigenous Muslim majority.

Influential elements among the politico-economic elite adopted oppositional positions around these issues and two powerful nationalist groups, the military and the civil bureaucracy, led the faction supporting continued state involvement in the economy. Any loosening in their ability to appropriate the resources and authority of the state, threatened to seriously erode not only their position in society but the unity and cohesion of the New Order economic system itself.<sup>882</sup> Nor could the strata of officials running the state corporations and strategic industry management, deeply immersed in the state apparatus and ideologically committed to a nationalist integrated industrial base, accept any loosening of their control: subsidizing their inadequate official salaries depended upon the indulgences their positions offered.<sup>883</sup> As few of the private and state-owned enterprises in the upstream sector were likely to survive in an open marketplace without subsidies and protection they also saw their continued profitability dependant upon the continuation of an interventionist economic regime. Included among those opposed to a less protected environment, and enjoying close relationships with centres of power about the President and his cronies Liem Sioe Liong and Bob Hasan, were monopoly-holders with licenses to import key industrial inputs that had previously been able to operate with little competition. Any opening in the market and any tendency towards transparency spelt potential financial disaster for such operators.

Both the technocrats and the nationalists competed for Presidential support. The technocrats represented a diverse arrangement of interests that while not entirely anti-nationalist were generally reform-minded state officials agreeing among themselves that deregulating markets and privatizing state assets was necessary. The nationalists, on the other hand at least outwardly, tended to want the state to continue

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<sup>881</sup> Hefner, (1993), p. 29.

<sup>882</sup> The first and most direct intrusion on bureaucratic power to come out of the post-1985 reforms was the government's decision to take responsibility for the assessment of customs and import duties away from the notoriously corrupt Indonesian Customs Department and contract them out to a Swiss company.

<sup>883</sup> Richard Borsuk, 'Markets: The Limits of Reform', in Donald K. Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), p. 142.

controlling and directing markets as the only way to advance *Pancasila*-based national goals.<sup>884</sup> There was also a significant difference between the two groupings in their attitude to the way the New Order regime treated non-*pribumi* Sino-Indonesians.<sup>885</sup> While the economic nationalists wanted to improve *pribumi* economic prospects through positive discrimination, or affirmative action, the technocratic approach preferred advancing the economy through race-blind policies that while enabling open competition in international markets also offered a freer hand for non-*pribumi*. President Suharto was the final arbiter on policy decision-making so the issue was handled largely with due regard to the political demands made upon him by ties to his cronies among the wealthy and economically powerful Sino-Indonesians.

While not always in disagreement the two sides did generate an important debate as to whether the state should continue to shape the markets primarily to Indonesia's economic advantage and it therefore became a question of whether private enterprise was capable of exploiting the nation's considerable resources to the people's benefit. Although he tried to distance himself from economic matters during the early 1990s, Suharto's choice of Habibie as vice-President in March 1998 appeared to suggest that, notwithstanding extreme pressure from the IMF and the growing economic crisis, the President was leaning towards the nationalists and the popular legitimacy he could accrue.<sup>886</sup> A number of influential figures "straddled the fence" over the debate and many of the nationalists themselves were not necessarily totally opposed to deregulation.<sup>887</sup> Their general concern was that deregulation and privatization might touch key strategic industries and simply further advantage the Sino-Indonesian conglomerates already dominating the private sector.

Economic-nationalists also drew support from the *Pancasila*-ist 1945 Constitution that clearly implied social, rather than individual, prosperity, emphasized business cooperatives rather than business corporations, and was intended to ensure that powerful individuals not exploit key production sectors and natural resources intended for the peoples' benefit. Nevertheless, while nationalists were using the Constitution and *Pancasila* to attack privilege the technocrat's pro-market policies

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<sup>884</sup> Borsuk, (1999), p. 140.

<sup>885</sup> Ahmad D. Habib, 'Conglomerates: All in the Family?' in Donald K. Emmerson, (Ed.), *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, (M. E. Sharpe, London, 1999), pp. 172-3.

<sup>886</sup> Borsuk, (1999), p. 141.

<sup>887</sup> Borsuk, (1999), p. 142.



seemed to be contradicting *Pancasila*. It also appeared that in general the technocrats representing the majority of ‘unconnected’ *pribumi* businessmen, and the growing middle-class wanting the consumer benefits of a free market, were the main proponents of economic reform. The nationalist opponents of economic reform tended to include a business culture that had succeeded through political and economic connections, and officials who had used their authority lucratively to issue permits, licenses, and opportunity. With the economy booming in the mid-1990s and foreign investment flowing into the country, reform seemed unnecessary so the President listened less to the technocrats. To the very end of the New Order Suharto, always the final arbiter in economic matters remained ambivalent towards free markets.

By 1996 the foreign and domestic forces working to free the economy lacked political influence but enjoyed some success when it became increasingly apparent that the state could not continue to underwrite its nationalist industrial-policy agenda indefinitely.<sup>888</sup> With pressure mounting from international capital and the World Bank for deregulation and a more open market environment, domestic reformists, including Indonesian academics and planning bodies, become troubled by the mounting foreign debt. Although politically weaker (and out of self-interest a little selective in their commitment to freeing-up markets) domestic downstream producers, forced to buy imported inputs from privileged monopoly-holders, became to some extent included in the reform group. As the struggle between powerful business monopolies and free market forces over economic policy intensified the pressing issue became the conflict of interests between deregulation and privileged monopoly. With the country sinking heavily into foreign debt, and to keep the economy afloat, policy acquiesced more to the demands of foreign investors and aid providers.<sup>889</sup>

The deteriorating economic situation during late 1996 clearly justified the de-regulationists’ stance. Backed by powerful international financial institutions and a handful of influential Indonesian economists, the reformers demanded that the huge protected state-sector dominating the manufacturing sector be dismantled. Limited reforms and the shift in policy towards promoting export-orientated production based on comparative advantage merely exposed the depth of privilege

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<sup>888</sup> Robison, (1988), p. 68.

<sup>889</sup> Robison, (1988), p. 69.

and monopoly that underpinned the New Order and contradicted the tenets of a *Pancasila*-ist economy. Clearly concerned at the increasingly vocal criticism these issues attracted, the regime angrily responded by closing down the newspaper *Sinar Haragan* that had been focusing attention on the endemic culture of business monopoly and financial and economic privilege that editors suggested defined the New Order economic system. The President might not have been aware of the actual depth of corruption that pervaded his administration but he nonetheless permitted the monopolistic culture to continue. He also faced the dilemma in that his regime needed to sustain a sufficient flow of funds to underwrite the massive budgetary (and extra-budgetary) social and development projects vital to his regime's socio-political legitimacy and he was committed to sustaining an economic environment that would allow the alliance of elite interests underpinning his regime to amass not only capital and wealth but sustained access to new economic opportunities.

#### ***4.2 The Asian economic crisis and the New Order economy***

At the beginning of 1997 Thailand was predicting economic growth continuing at 6-8% per annum but by March of that year Thai analysts were estimating that non-performing loans, mainly in property and construction, would cost banks and finance companies some US\$30.82 billion. On 27 June sixteen major Thai finance companies closed down, a financial contagion swept out of Thailand into Southeast Asia, and by early September, the region's major currencies, the Malaysian *ringgit*, the Philippine *peso*, the Thai *baat*, and the Indonesian *rupiah*, had dropped to record lows against the US dollar. Whereas during 1996 some US\$93 billion of private capital had flowed into the major Southeast Asian economies, during 1997 US\$12 billion departed. As the wave of capital flight continued into early 1998 the major Southeast Asian currencies crumbled, the crisis deepened, and the East Asian economic miracle appeared to have come to an end.

The decade from the mid-1980s had featured a succession of deregulation packages that somewhat improved Indonesia's international economic competitiveness but little improved the overall quality of domestic financial and economic institutions.<sup>890</sup> In 1996, responding to the growing crisis, the technocrats managed to force two key deregulation packages which, while offering export

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<sup>890</sup> Arndt and Hill, (1999), p. 16.

incentives and markedly reducing the mass of tariffs still in place, did little to correct the structural problems endemic to the economy, namely the proliferation of well-connected cartels and monopolies.<sup>891</sup> By mid-1997 it was estimated that the Indonesian private sector's massive US\$55 billion in foreign borrowings represented some 25% of Indonesia's GNP.<sup>892</sup> By early October of that year Indonesia's corporate debt, now at the very heart of a full-blown financial crisis, had increased to US\$80 billion.<sup>893</sup> Inflaming the growing sense of panic was that some US\$30 billion of this debt represented short-term loans and the likelihood that they could ever be refinanced was diminishing as the economic situation and the rupiah deteriorated.<sup>894</sup> To rescue his economy on earlier occasions the President had turned to his technocrats but as the crisis of 1997 deepened it was clear he faced a different, more serious problem. Although the economy continued to stumble during late 1997, those understanding the reasons behind the crisis and calling for urgent economic and financial reform faced powerful opposition from economic nationalists and well-connected business interests that now included economically aggressive, ambitious, and increasingly panic-stricken, members of the President's extended family.<sup>895</sup>

ABRI also grew concerned. As well as the detrimental effect to their own economic interests, coupled with a deepening drought that was seriously threatening food crops, the economic downturn guaranteed social unrest. Although the President eased the food situation somewhat by agreeing to remove the National Logistic Agency (Bulog) monopoly on the supply of wheat, soya beans, and garlic, he balked at altering the rice and sugar monopoly structure. The regime had long viewed state control over the price and distribution of the rice staple as an article of good faith essential to their socio-political and economic legitimacy. Since the 1950s some four million civil servants had received twenty kgs of free rice per month and continuing the practice was regarded as vital if the stability and loyalty of the massive civil service was to be sustained.<sup>896</sup> But the political importance of Bulog's monopoly on sugar imports as a prime source of patronage funds for civilians and the military, as well as a means of subsidizing rice prices, ensured that the key commodity remained immunized to the forces of deregulation.

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<sup>891</sup> Editorial, *Far Eastern Economic Review*, May, 22, 1997, pp. 52-3.

<sup>892</sup> Gough, (1998), p. 47.

<sup>893</sup> Editorial, *Far Eastern Economic Review*, October 23, 1997, p. 89.

<sup>894</sup> Editorial, *Far Eastern Economic Review*, September 11 and 18, 1997.

<sup>895</sup> Editorial, *Far Eastern Economic Review*, September 4, 1997, p. 62.

<sup>896</sup> Editorial, *Far Eastern Economic Review*, November 20, 1997, pp. 23-4.

To comply with an initial US\$33 billion multilateral bail-out package (including US\$10 billion from the IMF) sixteen commercial banks, some partly owned by the President's family and other prominent business people close to Suharto, were closed down on November 1 1997.<sup>897</sup> Closing down or merging a few dozen of the hundreds of banks that saturated the financial scene had little overall effect, nor did the closures restore faith in the banking system overall as seven major state and ten private banks controlling some 70% of total bank assets remained untouched.<sup>898</sup> Finance Minister Mar'ie Muhammad's reform package accompanying the bank closures aimed to dismantle private and state monopolies but one of the most blatant monopolies, Suharto associate and friend Liem Sioe Liong's massive Salim Group controlling over 95% of the archipelago's wheat milling, remained intact.<sup>899</sup> Amid concerns over the President's health the rupiah deteriorated to 4,000 per US dollar on December 5 and further still on December 6 to 4,575 per US dollar.<sup>900</sup> Capital flight accelerated and during the last five weeks of 1997 some US\$1 billion was thought to have departed for Australia, with Singapore banks reporting a 25% growth in non-resident (mainly Sino-Indonesian) US dollar deposits during November.<sup>901</sup>

1998 opened with soaring urban unemployment and food prices and, as common during times of economic crisis, weekly riots targeted Sino-Indonesian merchants. With some 80% of corporate Indonesia bankrupt the US dollar passed the 10,000 rupiah mark and triggered coup rumours as wealthy Indonesians exchanged rupiah for dollars while poorer Indonesians dumped the currency to purchase and hoard food staples.<sup>902</sup> Meanwhile, on January 20, GOLKAR Party Chairman Harmoko shocked the international community and the markets in general by announcing that Suharto had accepted GOLKAR's nomination for a seventh five-year term as President. Within days of agreeing to a vital IMF bailout package, and the reforms they premised, rumours strengthened that the President's protégé and long-

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<sup>897</sup> Andrew MacIntyre, 'Political Institutions and the Economic Crisis in Thailand and Indonesia', in T. Pemple, (Ed.), *The Politics of the Asian Economic Crisis*, (Cornell, London, 1999), p. 158. Editorial, *Far Eastern Economic Review*, December 18, 1997, p. 70.

<sup>898</sup> Philipp Delhaise, *Asia in Crisis: The Implosion of the Banking and Financial System*, (John Wiley and Sons, Singapore, 1998), pp. 138-141. Editorial, *Far Eastern Economic Review*, October 23, 1997, p. 89.

<sup>899</sup> Editor, *Far Eastern Economic Review*, November 13, 1997, p. 68.

<sup>900</sup> Editor, *Far Eastern Economic Review*, December 18, 1997, p. 70.

<sup>901</sup> Editor, *Far Eastern Economic Review*, February 19, 1998, p. 48.

<sup>902</sup> MacIntyre, (1999), p. 159. Editorials, *Far Eastern Economic Review*, January 22, 1998, p. 16 and February 12, 1998, pp. 16-7.

term friend, Research and Technology Minister and ICMI chairman, B. J. Habibie, would be Suharto's next vice-President and, as such, Suharto's choice of successor.<sup>903</sup> Markets reacted negatively to Habibie's close association with the Suharto family, his committed reputation to economic-nationalist development and extravagance, and the likelihood that in the event he succeeded Suharto as President there would be a continuation of status quo state economic intervention, corruption and cronyism. Habibie's elevation caused the rupiah to plunge to a new record low of 11,000 to the US dollar.<sup>904</sup> Amidst unprecedented demands for democratic change – *demokrasi dan reformasi* – and an end to *dwi fungsi* and military influence over socio-political and economic life, a general fear grew that the worsening economic situation might unleash Muslim discontent. The departure of NU Chairman Wahid's moderating influence from political life following a stroke in January removed the voice of tolerant accommodative Islam at a time when some Muslim activists were thinking of seizing economic power. With economic and social pressures increasing ethnic tensions it was feared that Wahid's absence from political prominence might expose NU's mass grass-roots support-base to more "radical outside" Islamic forces.<sup>905</sup>

By the end of February 1998, international portfolio investment managers had quit Indonesia, foreign direct investment had ceased, and foreign credit was no longer available. With interest rates continuing to rise and debt seemingly out of control, the banking sector lost its ability to function effectively.<sup>906</sup> Moreover, and a portent of socio-political tragedy, per capita GNP that had been about US\$1,200 per

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<sup>903</sup> The somewhat draconian package of reforms were intended to slash the business privileges of the Suharto family and its associates, revise the 1998/9 budget targets to 20% inflation and a budget deficit of 1% of GDP, cancel twelve major infrastructure projects, revoke privileges accorded to the 'national car' project that involved Suharto's son, and immediately discontinue support for the state aircraft company. During February a number of agricultural products were to be deregulated, cement, paper, and plywood product cartels were to be eliminated, monopolies on flour and sugar distribution were to be abolished, foreign bank restrictions were to be lifted, and state banks were to be audited and restructured. During March foreign investment would be freed up in the wholesale trade, and export taxes on raw materials were to be reduced to 10%. During April fuel and electricity subsidies were to be phased out and the export ban on Palm oil (a low cost, high mark-up, agricultural product) was to be abolished. During June the Clove (a significant ingredient in popular cigarettes) Marketing Board had to be eliminated, all state banks privatized, and foreign investment in domestic banks permitted. During July a plan was to be drawn up to resolve the massive level of state bank debts. M. T. Day and M. I. Logan, (Eds.), *Reconstructing Asia: The Economic Miracle That Never Was, The Future That Is*, (RMIT University Press, Melbourne, 1998), pp. 19-20. Editorial, *Far Eastern Economic Review*, January 29, 1998, p. 16.

<sup>904</sup> Delhaise, (1998), p. 135. Francois Godement, *The Downsizing of Asia*, (Routledge, London, 1999), pp. 161-2. MacIntyre, (1999), p. 160. Editorial, *Far Eastern Economic Review*, January 29, 1998, p. 16.

<sup>905</sup> Editorial, *Far Eastern Economic Review*, February 12, 1998, pp. 16-7.

<sup>906</sup> MacIntyre, (1999), pp. 160-1.

annum before the crisis hit, was now believed to have shrunk to US\$450 per annum.<sup>907</sup> Against a backdrop of nation-wide campus protest, and growing doubt as to whether the President would implement a crucial IMF salvage program in its entirety, the Indonesian People's Assembly on March 10 elected Suharto President for a seventh term.<sup>908</sup> Confirming B. J. Habibie as his vice-President on March 14, Suharto in desperation formed a new reform cabinet comprised largely of close friends and family. At a time when the international business community had realized that the biggest impediment to reform in Indonesia was its endemic corruption, cronyism, and nepotism, Suharto was turning to his trusted business cronies for help.<sup>909</sup> At a massive rally on March 16, to the delight of protesting students, the populist modernist Muhammadiyah Chairman, and former student leader, Amien Rais offered to lead a "non-violent people power" revolution similar to that responsible for overthrowing President Marcos in the Philippines.<sup>910</sup>

Although the IMF softened some of the conditions attached to its harsh US\$33 billion rescue package and permitted the Indonesian government to continue subsidizing food and energy, social tensions heightened during March and April. The economic reality was now apparent even to Suharto that there were simply too many bad foreign-currency loans. With the rupiah continuing to plummet and little hope of recovery in the fore-seeable future the massive loans would clearly be un-payable when the majority of corporate debt fell due for payment at the end of 1998.<sup>911</sup> By the beginning of May, with the economic, political, and social elites (including ABRI) seemingly unable, or unwilling, to take positive initiatives in the face of the deepening social crisis, student protest erupted across the archipelago and the New Order entered its final phase. To co-ordinate activities among themselves and the general populace, the student movement developed an effective, decentralized, structure, and increasingly bold protest strategies. The regime's announcement on May 5 of a 70% increase in premium petrol prices, and an impending 60% electricity price increase, set off a massive round of student-initiated rioting and looting. The security forces met student protest off campus with tear gas

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<sup>907</sup> Arndt and Hill, (1999), p. 24.

<sup>908</sup> On the day of the President's swearing-in ceremony the largest student demonstration for several decades took place on the prestigious Gadjah Mada University campus in Jogjakarta to protest his continued rule.

<sup>909</sup> Daly and Logan, (1998), p. 21. Delhaise, (1998), p. 136. Godement, (1999), p. 162.

<sup>910</sup> Editorial, *Far Eastern Economic Review*, March 17, 1998, p. 6.

<sup>911</sup> Daly and Logan, (1998), pp. 21-2. Editorial, *Far Eastern Economic Review*, April 16, 1998, p. 59.

and rubber bullets and while the students had not yet set off the nation-wide uprising they were threatening, their effective organizational capabilities were drawing activists from all sides of the religious and social spectrum into mass opposition.

## ***5. The student movement and New Order collapse***

Student protest has always carried a special meaning in Indonesian political culture. In 1966 student protest had been the dynamic and visible catalyst to the end of Sukarno's rule and left Suharto and his generals indebted to the revered 'Generation of 1966' (*Angkatan 66*) that had given much needed legitimacy to the military's grab for power. The new socio-political arrangements the students hoped for and advocated during the mid-1960s were supposed to be in complete contrast to those of the Sukarno era and with official praise heaped upon them for their efforts many of *Angkatan 66* went on to enter the bureaucracy, politics, and business, eventually becoming the core of an enlightened New Order middle class. Even when the New Order's depoliticisation program took its toll during the 1970s the students were permitted officially recognized space to protest, albeit from the moral position of 'loyal' opposition to the regime. The student protests in 1973 and 1977 eventually tested New Order patience and in 1978 the New Order's depoliticisation program was extended onto campuses and through the Normalisation of Campus Life policy (NKK or *Normalisasi Kehidupan Kampus*) university rectors were given responsibility for tightly controlling student political activity.

Student activism during the 1960s and 1970s had been centered about the Universities of Jakarta and Bandung but the growth in tertiary education in response to modernization and development's demand for professional skills saw an increased and more dispersed student activism from the late 1980s. A resurgence of student activism through 1988 and 1989 had generally involved populist moral concerns that only indirectly questioned the regime but a less compromising attitude of general hostility developed during the 1990s towards the military's pervasive involvement in Indonesian life. As they had done in 1966, during the mid-1990s the students were providing the masses with the leadership that was absent from the oppositional establishment leaders by bringing an array of social forces together against a failing regime.

In early 1998 the ability of the student leadership to mobilize broader popular dissatisfaction into a mass national movement became clear when they convinced urban and rural workers to join forces under student direction. The student demands were broad but in general their leadership called on behalf of the masses for Suharto's resignation, his trial for corruption, lower commodity prices, and, as a necessary pre-requisite to economic reforms, sweeping political change.<sup>912</sup> Reflecting the respect the military held towards student protest<sup>913</sup> ABRI continued to show a reasonable amount of restraint, notwithstanding tear gas, rubber bullets, and beatings.

### ***5.1 1996-1998: Socio-political deterioration, and student-led mass mobilization***

A fear shared among the establishment elites, both power-holders and those outside of the political framework, was that grass-roots based mass mobilization might be appropriated by political interests outside of the New Order socio-political arrangement for short-term political gain. The establishment elites have always regarded political mass mobilization as the greatest potential threat to the socio-political status quo they enjoyed and the growing socio-political instability from mid-1996 fuelled their concerns.<sup>914</sup> Mobilized political anger and frustration did not always necessarily involve rioting, but the growing proclivity for mass activity against the back drop of a shadowy mix of organized and non-organized unrest, continued and climaxed with the May 1997 general election. The election mobilization served to highlight two particular concerns for the establishment elites; the demonstrations were growing increasingly destructive, and the security forces correspondingly less able to control the angry mobs. Considering the key role the students had played in Sukarno's overthrow thirty years before, it was also particularly concerning to the establishment elites that the student agenda, now focusing primarily on ending Suharto's rule, might again become the socio-political focal-point of mass carnage. Most Indonesians shared the two particular sources of discontent that drove the

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<sup>912</sup> Editorial, *Far Eastern Economic Review*, May 14, 1998, p. 22.

<sup>913</sup> Godement, (1999), p. 162. Editorial, *Far Eastern Economic Review*, May 14, 1998, pp. 22-4. Following the attempted coup in 1966, student leaders had been co-opted by the military leadership to help in bringing Suharto and the New Order to power.

<sup>914</sup> Max Lane, 'Mass politics and political change in Indonesia', Ariel Budiman, Barbara Hatley and Damien Kingsbury, (Eds.), *Reformasi: Crisis and Change in Indonesia*, (Monash Asia Institute, Clayton, 1999).



student-led mass mobilization. While the issues of nepotism, corruption, and collusion had troubled most levels of Indonesian society for decades, the economic and socio-political inequities highlighted by the country's deteriorating economic situation were now directly responsible for intolerable hardship and suffering among the majority rural and urban masses of poor and disadvantaged. The 1997 economic crisis was drawing the consequences of societal inequity and endemic corruption to an inevitable conclusion.

During the last months of the New Order a growing mutual distrust and interplay between military and Islamic factions fuelled establishment fears of social breakdown, religious extremism, and possibly a military coup. Shaped by thirty years of New Order hegemony, political culture had fed factional mutual distrust that settled around four distinct socio-political tensions.<sup>915</sup> As a result of personal re-organisation during the early 1990s loyal ex-Presidential adjutants, generally non-committal about the deteriorating socio-political situation and concerns over who should lead after Suharto, were now in command of ABRI and left civilian political elites the groupings most preoccupied with who should lead post-Suharto Indonesia. Islamic clergy engaged themselves primarily in 'turf fighting' between their respective urban and rural power bases leaving the student leadership, themselves worried about becoming tools of the socio-political elites, to drive the growing calls for revolutionary change. Although ABRI remained the most powerful socio-political force, during the later months of the New Order their capacity for independent action was severely limited. Although Article 8 of the Constitution provided clear formal rules of succession from vice-President to President, observers generally feared that in the event of a crisis the military would not take lightly a civilian vice-President succeeding Suharto and most likely create the circumstances for a 'state of emergency' that could justify their ruling through committee.

Communal violence, often sparked by relatively minor incidents, had erupted across Java in the early months of 1997 prior to the national elections and while most of the violence carried sectarian overtones it was generally aimed at specific government policies. Churches, police stations, banks, and department stores (many owned by Sino-Indonesians) were attacked and military spokesmen blamed the urban unrest on un-named individuals and groups trying to disrupt the coming

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<sup>915</sup> Vatikiotis, (1998), pp. XVII-XVIII.

elections by discrediting faction leaders and their followers. In early February 1998 the annual meeting of senior military officers (*Moko dongam*) found it necessary to officially deny rumours that dissident military officers were planning and instigating food riots and demonstrations either for political gain or to divert attention away from the seriously declining economic situation.<sup>916</sup> An ICMI spokesman suggested that the unrest represented a “politico-economic rebellion” by members of a “domestic minority” (by implication, rich Sino-Indonesian businessmen backed by some politicians and military officers) with support from Western anti-Islamic states, Western capitalists, and overseas Chinese.<sup>917</sup> Rumours abounded that some politicians were scurrilously exploiting the plummeting Rupiah and President Suharto spoke of conspiracies intent on bringing down the currency to destroy the Indonesian economy and thus national unity. The implication was that unknown groups actually wanted increased unemployment and general social misery that would provide certain groups with a “tractable social force” that could be manipulated to political advantage.<sup>918</sup> Refusing to name names (a frequent tactic with the socio-political and economic chaos increasing) the Minister of Religion borrowed a New Order cliché and somewhat unrealistically identified the instigators of the violence as “the children of former Communists” suggesting their agenda to be revenge on the Muslim community for their part in supporting ABRI during the Communist coup attempt back in the mid-1960s.<sup>919</sup> The influential Chairman of MUI (Indonesian Council of Ulama) lamented the infiltration of Islamic institutions by socialists and democrats intent on creating discord between the Islamic community and the Armed Forces.<sup>920</sup>

Because they were a visibly wealthy segment of society (and incorrectly believed to control the economy) the blame for the economic crisis was being laid on the perennial source of disaffection, the Sino-Indonesian community.<sup>921</sup> Enmity towards the Sino-Indonesian elite took a broader, more sinister, form in late 1997 when an explosion on premises being used to make bombs was linked to prominent

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<sup>916</sup> Kees van Dijk, *A country in despair: Indonesia between 1997 and 2000*, (KITLV Press, Jakarta, 2001), p. 128.

<sup>917</sup> van Dijk, (2001), p. 128.

<sup>918</sup> van Dijk, (2001), p. 130.

<sup>919</sup> van Dijk, (2001), p. 130.

<sup>920</sup> van Dijk, (2001), p. 131.

<sup>921</sup> Peter Searle, ‘Ethno-Religious Conflicts: Rise or Decline? Recent Developments in Southeast Asia’ *Contemporary Southeast Asia*, Vol. 24, No. 1, April 2002, pp. 6-7. Jamie Mackie, ‘Tackling the Chinese Problem,’ in *Post-Soeharto Indonesia: Renewal or Chaos?* Geoff Forrester, (Ed.), (Crawford House, Bathurst, 1999), p. 10.

Sino-Indonesians associated with the political think-tank CSIS.<sup>922</sup> In a Machiavellian twist, CSIS opponents reasoned that the bombs were intended for a wider anti-Islamic plot intended to discredit devout Muslims by giving the impression that they were responsible for the chaos and that political Islam was synonymous with violence. The Islamic resurgence of the 1990s had been complicated somewhat by the large number of re-politicized Muslims coming to represent the largest constituency within the pro-democracy movement that was by implication hostile to the New Order. By early 1998 this Muslim influence had joined with the broader secular-nationalist opposition demanding *reformasi dan demokrasi*.<sup>923</sup> Suharto's opening to Islam in the early 1990s had not so much wanted a freer-thinking civil Islam as a regimist Islam prepared to live within his authoritarian agendas. But the significant numbers of Muslims turning to the social democracy implicit in *reformasi dan demokrasi* during early 1998 threatened the possibility of a monolithic opposition coalescing against the regime. The response was to turn to what had always been a standard political tactic of the New Order: it attempted to divide the growing opposition along ethnic and religious lines by turning the Muslim pro-democracy movement against the Christians and Sino-Indonesian communities.<sup>924</sup>

A major security mobilization restricted the massive student protests to their campuses during the run-up to the 1998 Peoples Congress but most people feared that frustration at the lack of political or economic reforms would expand the large-scale demonstrations onto the streets as the elections neared.<sup>925</sup> Ever-increasing numbers of labourers forced out of work by the deteriorating economic situation swelled the demonstrations and military spokesmen warned against unscrupulous and, as usual, unspecified individuals and groups inciting destruction and violence.<sup>926</sup> From the beginning of March 1998 the mass demonstrations gradually built up and some 50,000 students at Gadjah Mada University in Yogyakarta trying to take their protest off campus fought with security forces. On the campus of the University of Indonesia, some 20,000 students massed to listen to the modernist Islamic *Muhammadiyah* leader Amien Rais, demand *reformasi dan demokrasi*. The cabinet

<sup>922</sup> CSIS (Center for Strategic and International Studies); a think-tank associated with the Roman Catholic church and the Sino-Indonesian community.

<sup>923</sup> Robert W. Hefner, *Civil Islam: Muslims and Democratization in Indonesia*, (Princeton University Press, Princeton, 2000), p. 18.

<sup>924</sup> Hefner, (2000), p. 19.

<sup>925</sup> Editorial, *Jakarta Post*, 8 January, 1998.

<sup>926</sup> For a discussion on the broadening social protest from labour – organized and un-organized – see; Aspinall, (1996), pp. 228-231.

reshuffle on March 14 merely promoted familiar corrupt personalities of the by now thoroughly discredited New Order regime and set off a new wave of campus demonstrations. Demonstrators were now demanding the sacking and replacement of unacceptable cabinet ministers and a serious approach by the regime to political reform and lower consumer prices, but drew little support from the representatives of the ‘mainstream’ political organizations. Key military figures tried to balance calls for caution with encouragement for dialogue while constantly demanding the protesters remain on the campuses. The military claimed that the large security presence was to protect the students and prevent outsiders from “exploiting them and the situation”.<sup>927</sup> The Army, military spokesmen claimed, were not in disagreement with the need for urgent reform, but insisted on gradual and constitutional processes rather than radical change.<sup>928</sup>

A few months earlier, such official comments from the Armed Forces would have been unthinkable, but with the moderating General Wiranto now in charge the military seemed prepared to discuss solutions to the crisis with even such noted critics of the New Order as Rais, Wahid, and Megawati. The students at the forefront of the massive protests regarded these so-called ‘oppositional’ establishment leaders as inept and any dialogue with the military as little more than a symbolic attempt by the military to continue the socio-political status quo.<sup>929</sup> To the students, ABRI were simply the most powerful element within the regime and therefore, notwithstanding the current more conciliatory leadership, shared the New Order’s responsibility for the crises. In their view ABRI had done little to curb New Order excesses in the past and had been the principle perpetrators. Although military spokesmen continued to call for discussion, the students were little inclined and viewed any discussion of economic affairs as irrelevant and inappropriate to a military’s correct role in society. The students were primarily interested in the security measures the military were prepared to take to restrain protest activities and ABRI Commander Wiranto’s apparent fixation with protecting them from “contamination” by mysterious third parties.<sup>930</sup>

Clashes with the security forces continued on the major campuses through April with mounting injuries among students, the police, and the security forces.

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<sup>927</sup> Van Dijk, (2001), p. 164.

<sup>928</sup> Editorial, *Republika*, March 30, 1998.

<sup>929</sup> van Dijk, (2001), p. 166.

<sup>930</sup> van Dijk, (2001), p. 169.

Pleading for moderation, the ailing Wahid called on students to be on the alert for agitators, but as had become his way he was unable to be more specific as to the agitators' identities. To the concern of human rights groups, increasing numbers of people were going missing with reports of activists abducted by unidentified, strongly-built, individuals with 'close-cropped' hair, implying that these 'shadowy' figures possessed some kind of military background. Observers suggested that elements of the security forces were acting independently and that the so-called 'shadowy forces' involved some form of internal power struggle bent on creating chaos and instability to discredit elements among the elite and justify a military coup.<sup>931</sup> By mid-April, with the violence mounting, both NU and *Muhammadiyah* urged ABRI to actively support *reformasi dan demokrasi* but both groups disappointed the students with their insistence that while political, economic and legal reforms were necessary pre-requisites to clean, legitimate government change would have to be gradual, constrained, and peaceful.<sup>932</sup>

Student-led protest continued to escalate in early May and as the situation deteriorated President Suharto consulted with establishment political leaders but his attempt at dialogue disappointed the student activists. Discussions were little more than polite, uninterrupted, monologues from the President and while Suharto conceded his willingness to consider reforms he insisted that stability was the first priority and that impatience would only lead to a strong reaction from his security forces. By suggesting a five-year timetable for reform he further frustrated the student leaders and riots and widespread property damage continued in Jakarta and Medan with the security forces enthusiastically responding causing growing casualties on both sides. Three days of rioting and looting in Medan spread to neighbouring cities with Sino-Indonesian property continuing to be a target of the mobs. Although vigorously opposed by parliament, the substantial fuel and electricity price rises demanded by the IMF as a condition of financial assistance were imposed on May 14 causing widespread anger and increasing the tempo of violence and kidnappings.

Violence erupted across the archipelago and 500 people, mainly looters, were killed in Jakarta. During a peaceful demonstration on the campus of Jakarta's Trisakti University on May 12, and presumably at the hands of a 'shadowy' elite military unit, six students were shot dead. The killing of the students set off an

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<sup>931</sup> van Dijk, (2001), p. 176.

<sup>932</sup> van Dijk, (2001), p. 178.

outpouring of nation-wide grief and anger. Mass demonstrations overwhelmed the security forces and huge crowds went on the rampage with the Sino-Indonesian community continuing to bear the brunt of the looting, violence, rape, and murder, while the indigenous business community frantically tried to protect their properties from the mobs. Blame for the some 1,000 deaths and about US\$1 billion of property damage in Jakarta was directed at the security forces' inability, or even lack of will, to curb the riots.<sup>933</sup> Regime response was disunited and ineffectual and ABRI chief Wiranto responded cautiously and while acknowledging the students' positive contribution to the situation continued to warn against their manipulation by 'shadowy' forces. Between May 13 and 15, within days of the Trisakti campus killings, massive riots broke out and against a backdrop of widespread civil unrest, intra-elite divisions were escalating into outright power struggles between the two elite groupings with access to the parliamentary system: the dominant conservative status quo factions on one side, and the broad range of groups demanding reform on the other.<sup>934</sup> The killings on the Trisakti campus had signalled the turning point of the crisis and the political situation was dramatically changing as the regime showed itself incapable of controlling the chaos.<sup>935</sup>

When some 30,000 students, with mass popular support, occupied parliament buildings on May 19 in a standoff with marines and security forces, the popularist 'modernist' Islamic leader Amien Rais re-affirmed his willingness to lead an Indonesian "people's power" so long as the movement overturned the New Order leadership without bloodshed.<sup>936</sup> President Suharto returned to Jakarta from a state visit to Egypt and faced with the likelihood that an extraordinary session of the Peoples Congress would be unable to agree on a successor and the distinct possibility of a military coup, President Suharto resigned on May 21, 1998, enabling his

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<sup>933</sup> van Dijk, (2001), p. 192.

<sup>934</sup> J. Kristiadi, 'The Future Role of ABRI in Politics', in Geoff Forrester, (Ed.), *Post-Soeharto Indonesia: Renewal or Chaos?* (Crawford House Politics, Bathurst, 1999), pp.55-56. Kristiadi further suggests that the killings on the Trisakti campus were initiated by elements of the Armed Forces and indicated fragmentation and panic among the military elite. Five months after Suharto's resignation a government-appointed joint fact-finding investigation, investigating the previous May's riots suggested they were linked to an intra-elite power struggle directly related to the Trisakti shootings. While the investigating team identified anti-Sino-Indonesian sentiments as being the catalyst for the events the report called for more information on the role General Prabowo, Suharto's son-in-law, played in the violent affairs. The report also suggested that elements within the political elite had in fact caused the turmoil for their own interests and as a consequence, in some situations, the Armed Forces had become powerless to protect the people. Manuel Tegoio, 'Assessing the May riots' *Asiaweek*, November 13, 1998.

<sup>935</sup> Vatikiotis, (1998), p. 226.

<sup>936</sup> van Dijk, (2001), p. 205.

constitutional successor, vice-President Habibie, to be sworn in as Indonesia's third President.

## 6. *Summary*

The key challenge for the New Order facing the growing crises of the mid-1990s was balancing the demands of the secular-nationalists and both the accommodatory and non-accommodatory Muslims with the status quo and reformist interests within ABRI. Secular-nationalists and reformists called for greater democratization and captured the New Order's ideological high-ground by stressing the importance of a religiously tolerant *Pancasila* as a continuing basis for the Indonesian state. *Pancasila*, it was argued, could guarantee religious tolerance and the equality of all citizens in Indonesian society because religion and other primordial affiliations were dangerous ways to channel political aspirations. As Wahid put it, the essence of secularism was the "impartiality of the state vis-à-vis its citizens' religious inclinations".<sup>937</sup> Not only did secular-nationalism reject religious politics, but also opposed what was regarded as the military's undemocratic involvement in political and social processes, refusing to accept the military's 'integralist' interpretation of *Pancasila* that ABRI claimed legitimized their deep socio-political penetration into Indonesian life. But secularism also provided a voice of pragmatism that regarded ABRI as the only effective protection of religious and ethnic rights and national unity from what were regarded as the easily manipulated primordial masses.

The crisis that led to President Suharto's resignation began in mid-August 1997 with the dramatic devaluation of the Rupiah coinciding with growing doubts among the socio-political elites as to whether Suharto should be nominated for a further term in office. There were four phases to the crisis. The first was the Rupiah devaluation and the second came in early December 1997 when rumours spread about Suharto's supposed ill health. The third phase began in late February 1998 when student protest erupted on major campuses across the country and the fourth and final that led to Suharto's resignation began in the first week of May 1998 when the IMF-directed abolition of fuel subsidies triggered popular riots in Medan.<sup>938</sup> During this

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<sup>937</sup> Cited in Ramage (1995) p. 156.

<sup>938</sup> Marcus Meitzner, 'From Soeharto to Habibie: the Indonesian Armed Forces and political Islam during transition,' in Geoff Forrester, (Ed.), *Post-Soeharto Indonesia: Renewal or Chaos?* Crawford House Publishing, Bathurst, 1999), pp. 66-76.

critical final period interaction between ABRI, social and political Islam, and the President, changed as the attitude of the major Muslim organizations towards the regime moved away from its traditional socio-religious orientation into political affairs. As the crisis moved towards its climax *politika-Islam* became increasingly pragmatic but although key Muslim leaders realized that Suharto was losing ABRI's support, because of the conflictory intellectual stances being taken by the leaderships of the major Muslim groups and factions, a united Islamic position was unable to coalesce into a strong, definitive, united opposition able to offer leadership and give coherence to the growing mass calls for *reformasi dan demokrasi*.<sup>939</sup>

Suharto's removal effectively came about because in the face of a potential mass uprising a temporary and extraordinary alliance was forged among different elite groupings able to unite briefly and withdraw their support from Suharto. The arrangement proved to be a limited affair that was hard to sustain after he had gone. Boudreau notes the low level of "concrete political activity" exhibited by the traditional oppositional establishment leaders Rais, Wahid and Megawati in the face of the growing economic, political, and social crises of 1998 and suggests that their input was more rhetoric than effectively directing popular mass protest.<sup>940</sup> Decades of effective societal depoliticisation, and scant experience of using representative institutions and procedures to articulate their interests, had left sectoral groups unable to express themselves upwards through what should have been their logical leaders.<sup>941</sup> Suharto's weakening hold on power was only broken in the end by a combination of broadening mass protest, international pressure, and the divisive activities of elements within the military, some remaining aloof from the processes and others indirectly involved.<sup>942</sup> It was left to the students, frustrated with the blatant on-going display of 'elite politics' against a back-drop of economic and political turmoil, to finally take the initiative and exercise their historical prerogative by steering anti-regime protest away from the campuses, unifying and coordinating it, and leading it in an irresistible mass expression on the streets.<sup>943</sup>

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<sup>939</sup> Meitzner, (1999), pp. 85-7.

<sup>940</sup> Vincent Boudreau, 'Diffusing Democracy? People Power in Indonesia and the Philippines,' *Bulletin of Concerned Asian Scholars*, Vol.31, No.4, 1999, pp. 3-18.

<sup>941</sup> Ken Young, 'Post-Suharto: a change of regime?' in Arief Budiman, Barbara Hatley and Damien Kingsbury, (Eds.), *Reformasi: Crisis and Change in Indonesia*, (Monash Asia Institute, Clayton, 1999), pp. 70-73.

<sup>942</sup> Boudreau, (1999), p. 13.

<sup>943</sup> Meitzner, (1999), pp. 74-6.



Organized mass politics have long been practiced in Indonesia and public gatherings and mass movements are viewed as a legitimate part of Indonesian culture.<sup>944</sup> The early nationalist leaders drew the masses into their anti-colonial struggle with highly organized mass public meetings that heightened political awareness and support for the revolutionary anti-Dutch struggle.<sup>945</sup> Sukarno, and later Suharto's use of passionate oratory at public meetings and authorized mass gatherings around religious activities were often thinly veiled political affairs. Some leaders in the more enlightened era of *Keterbukaan* and *reformasi* claimed that their supporters had become more mature politically, more 'autonomous', less dogmatic, and better able to consider alternative ideological and political affiliations than formerly but, as Hara concedes, more often than not political leaders merely used mass demonstrations to bolster fragile political positions against what they perceived to be the stronger positions of their opponents.<sup>946</sup> Aware of its potential, the New Order had always taken care to control mass political participation by channelling it through its corporatist arrangements of the military, the bureaucracy, and the tightly circumscribed government political organ GOLKAR, all constrained by the ideological imperatives of the *Pancasila*-ist state.<sup>947</sup> There is also some irony in the fact that while party politics have always tended to involve mass mobilization around religious and other sectarian symbols of unity controlled by establishment interests, the potential for socio-political unrest roused by mass mobilization getting out of control in fact posed the greatest single threat to the New Order establishment's desire for the socio-political status quo.<sup>948</sup> Suharto relied to a certain extent on opposition to his rule being 'numbed' by establishment fears of social unrest and political extremism.<sup>949</sup> Mass mobilization actually posed a potential threat to both sections of the New Order socio-political establishment; those within the power frame (ABRI,

<sup>944</sup> Abubakar Hara, 'The Difficult Journey of Democratisation in Indonesia', *Contemporary Southeast Asia*, Vol.23, No.2, 2001, p. 319.

<sup>945</sup> However, the upper echelons of the *pribumi* bureaucracy, who had attained the highest level of indigenous political power, distrusted any mass inclination towards religious politics partly out of fear of its mass potential for social unrest. The radicals of the nationalist movements, as well as sharing common educational backgrounds to the bureaucratic elite, also shared distrust of Islamic modernism. Watson, Shore and Nugent, (2002), p. 113.

<sup>946</sup> Hara, (2001), p. 319.

<sup>947</sup> Dewi Fortuna Anwar, 'Indonesia: Domestic Priorities Define National Security', in Muthia Alagappa, (Ed.), *Asian Security Practice: Material and Ideational Influences*, (Stanford University Press, Stanford, 1998), p. 500. On New Order control of society through depoliticisation and the concept of the 'floating mass' see Anwar, (1998), pp. 500-502.

<sup>948</sup> Young, (1999), p. 76. Max Lane, 'Mass Politics and Political Change in Indonesia', in Budiman, Hatley and Kingsbury, (1999), p. 239.

<sup>949</sup> Vatikiotis, (1998), p. xvii.

GOLKAR and ICMI) as well as those excluded from power (NU, other secular-nationalists, reformists, and Islamic scripturalists). Rather than uniting against him and contesting the legitimacy of his regime, Suharto's resignation in May 1998 came about because a fear that mass unrest might explode across the archipelago and threaten their interests panicked the establishment elites into simply withdrawing their support for his continuing Presidency.<sup>950</sup>

Two key aspects of the Gramscian hegemonic model - its over-riding ideological imperatives and its insistence that sustaining elite hegemony requires constantly realigning class interests – summarise the alternative approach of this research as a counter to the prevailing twin-crises explanation of the New Order's failure in 1997/8. The two aspects combine to explain both three decades of the New Order arranging Indonesian socio-political life and the circumstances that led to the regime's demise. The Gramscian approach focuses on the regime's failure to sustain a legitimizing hegemonic representation of *Pancasila* and its derivatives as the New Order's 'binding glue' of ideological legitimacy and the bloc's failure to maintain its hegemonic alliance structure in the face of alternative and potentially counter-hegemonic renderings of ideology that catalyzed a proliferation of non-negotiable demands and values from subordinate groups. The over-riding thrust of the research implies that had the regime complied with the two key Gramscian imperatives and reacted with effective processes of hegemonic refurbishment and renewal, the consequences of the financial contagion that hit Indonesia in 1997, and with remorseless bottom-up socio-political pressures upon the New Order's hegemonic alliance structure aroused by demands for *reformasi dan demokrasi*, might have been countered and mitigated.

Viewing the New Order collapse through the schema of a historic bloc and its economic, political and ideological components as an alternative to the 'twin-crises' account offers both the explanatory utility of an approach that focuses attention essentially on the explicit role the New Order attributed to *Pancasila* and its derivatives in sustaining a hegemonic arrangement of Indonesian socio-political and economic life and also enables conclusions to be drawn as to why the New Order's hegemonic vision for Indonesian life failed. The Gramscian model offers a working structure that enables contrasting *Pancasila* as represented by the New Order with the

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<sup>950</sup> Lane, (1999), pp. 240-250.

contradictions that came to define the doctrine's actual use. Underpinned by the Gramscian imperative that sustaining and maintaining hegemony requires constantly realigning and readjusting elite interests, the model can also be employed to show how New Order alliance re-arrangements were inherently insensitive to explicitly expressed non-negotiable subordinate interests and values and how the New Order failed to comply with the requirements of a true *Pancasila*-ist economy.<sup>951</sup> The historic bloc's format that strongly focuses on the key role ideology was required to play in underwriting a regime's moral and intellectual legitimacy demonstrates how the New Order failed to compromise its economic and financial policies to accommodate interests outside exclusive and pragmatic elite economic arrangements. From the perspective of the New Order political bloc, and the explicit ideological emphasis represented by *Pancasila demokrasi*. The model demonstrates the bloc's reluctance to compromise elite alliance interests to accommodate subordinate non-negotiable values.

In Gramscian terms, sponsored by the dominant class, the New Order organic intellectuals maintained their authority over economic processes through to the mid-1990s. But decision-making shortcomings became increasingly apparent between the explicit egalitarian requirements of a *Pancasila*-ist economy and growing economic disparity between the minority holding economic power that benefited from economic development and the vast majority of the Indonesian people. The allocation and distribution of economic benefits and advantage and the continued legitimacy and effectiveness of the economic processes responsible for the New Order's economic arrangement became increasingly inequitable and under growing challenge.<sup>952</sup> In terms of Gramscian hegemonic legitimacy the New Order economic arrangement – its economic bloc – should have mediated the tensions and antagonisms evolving between the classes that possessed and benefited from the means of production and those that did not.<sup>953</sup> From the mid-1980s reform-minded liberal economists challenged vested business interests and the activities of the powerful politico-business families by questioning the economic status quo and called for deregulation and broad financial and economic reform. The alliance of domination that underlay economic hegemony that legitimized New Order economic arrangements through

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<sup>951</sup> Femia, (1981), p. 26. Chapter 1, section 1.4, pp. 30-32.

<sup>952</sup> Above, Chapter 4, p. 135.

<sup>953</sup> Jakbowski (1976), pp. 40-1.

tacit promises of economic egalitarianism therefore progressively weakened as the mid-1990s unfolded and ultimately crumbled when the economic contagion swept through Southeast Asia from 1997. The failure of the New Order to ameliorate the effects of the economic disasters of 1997/8 is therefore shown as directly attributable to the bloc's shortcomings in complying with Gramscian imperatives.

Notwithstanding serious economic deterioration from early 1997 the powerful regime-dominated techno-bureaucrats continued to exclusively prioritize the business interests of the ruling elites without allowances for the necessary compromises with subordinate interests that would legitimize bloc hegemony and were called for by a *Pancasila*-ist economy. Rather than cope with the compounding and problematic changing economic realities elite power arrangements merely underwent pragmatic realignment that did little to ease increasingly unacceptable levels of societal misery and tension. The New Order vision of hegemonic order initially exhibited itself through the nationalist/populist imperatives demanded in a *Pancasila* economy but in the face of economic deterioration the regime's organic constituencies neglected to sustain hegemonic legitimacy. The legitimizing imperatives of mass consensual participation had given way to sustained corruption and preferable economic advantage rather than economic egalitarianism and an equitable sharing of socio-economic benefit. Moreover, economic policy differences that surfaced with the technocrat/nationalist economic debate<sup>954</sup> were more to do with organic intellectual differences than any realization that more egalitarian and equitable economic strategies were necessary to sustain the economic arrangements' legitimacy. The economic bloc was failing in terms of ideological legitimacy and a profound inability to ameliorate glaring contradictions between systemic corruption and calls for economic and financial reform.<sup>955</sup> While ideologically legitimizing policies of economic nationalism and economic egalitarianism and equity had originally defined the New Order economic vision the system had come to institutionalize a minority benefiting to the detriment of mass interests.<sup>956</sup>

At the heart of New Order economic legitimacy, and paralleling the legitimizing imperatives of the Gramscian economic bloc, a *Pancasila* economy demanded economic and social egalitarianism and prosperity but by the time the bloc

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<sup>954</sup> Above, section 4.1, pp. 305-309.

<sup>955</sup> Chapter 4, section 5, pp. 172-182.

<sup>956</sup> Chapter 4, section 5, pp. 173-174.

began to come apart in early 1997 the system was ill-equipped in Gramscian terms to counter a growing hegemonic decay and obsolescence. The Gramscian bloc defines itself through an ideologically legitimate hegemonic relationship between state, capital and society coupled with an understanding that sustaining the arrangement requires an ongoing renegotiation of hegemonic legitimacy in response to changing economic circumstances. Meeting hegemonic requirements therefore required constantly co-opting subordinate as well as re-negotiating elite alliance consent but as the circumstances leading to the regime's collapse show, the New Order economic bloc failed the ideal model of a legitimate *Pancasila*-ist economy in both aspects. As well as neglecting key alliance partners, the leadership also became increasingly estranged from the non-compromisable values and interests of the masses, both essential pre-requisites to legitimate hegemonic order.<sup>957</sup>

Viewing the New Order's collapse from the perspective of a Gramscian political bloc focuses the investigation on the Suharto regime's hegemonic relationship between ideology and their socio-political arrangement of Indonesian life. Hegemonic necessity requires organic influences disseminating elite decisions in a manner as to secure mass acceptance to a dominant order's interpretation of ideology to underwrite the legitimacy of its political arrangements. Hegemonic necessity also requires constantly re-negotiating alliance arrangements so as to absorb subordinate interests as necessary into the hegemonic arrangement. Initially hegemonic processes gained a general mass acceptance to the legitimacy of the New Order's right to rule through a political system defined by the regime as *Pancasila demokrasi*. In terms of legitimate hegemonic socio-political decision-making, sustaining arrangements required not only gaining conformity to genuine political processes and democratic institutions, but also that processes functioned as both legitimate state activity and representative of mass subordinate interests and non-negotiable values.<sup>958</sup> Sustaining political bloc cohesion required reconciling the clearly diverging interests of the bloc's two most powerful socio-political constituencies, the military and Islam. But as the 1990s progressed the two key resources became increasingly estranged from each other and the regime. Along with a growing disunity within the New Order establishment and broadening intellectual cleavages within the religious elites, growing mass demands for *reformasi dan demokrasi* placed bloc cohesion under

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<sup>957</sup> Chapter 4, section 5, pp. 177-178.

<sup>958</sup> Chapter 5, p. 183.

remorseless pressure and the bloc's subsequent collapse was directly attributable to the inadequacy of the constraining *Pancasila*-ist socio-political system to continue channelling 'upwards' not only broader establishment interests but popular demands.

The duality of coercion and consensus at the heart of a Gramscian political arrangement balances necessary domination through force with the consensual support of the subordinate masses through techniques of co-operation, co-optation and compromise. The political bloc's arrangement must sustain hegemony through the normal outlets and institutions of public expression within a legitimate parliamentary environment, but it is essential that the necessary balancing processes that sustain the bloc's legitimacy respond to conditions existing at any particular time.<sup>959</sup> Corresponding socio-political arrangements must be constantly adjusted and reaffirmed to ensure that a coherent counter-hegemony based on an alternative rendering of ideology not be given space to emerge and challenge the political bloc's hegemonic legitimacy. Yet while the circumstances of regime collapse showed that the ideologically conforming alliance of interests that legitimized the New Order's hegemonic socio-political arrangements came apart, an effective counter-hegemony was unable to form around a coherent alternative representation of ideology.

Contributing an alternative analytical methodology to that of the 'twin-crises' approach, the political component of the historic bloc model is therefore as compelling and valid as that of the economic bloc discussed above. Gramscian consensus requires a conscious mass attachment to the ruling order and belief in the moral and intellectual legitimacy of socio-political leadership and the model offers a means of assessing the depth of that attachment. In Gramscian terms, the degree of willing, consensual, support *Pancasila demokrasi* drew from the subordinated masses is questionable. The model enables differentiation between levels of consent arrived at under the New Order through either tacit/co-optation or coercion and both Islam's socio-political management by the regime and ABRI's socio-political deployment as institutionalized by *dwi fungsi* exemplified the processes. In both cases New Order secular-nationalist imperatives were prioritized but the ideological nature of the Gramscian model also provided useful indicators as to whether mass conformity was arrived at through a genuine expectation of benefits in terms of socio-political stability and economic development as opposed to a general fear of the consequences

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<sup>959</sup> Chapter 5, pp. 183-184.

of non-conformity.<sup>960</sup> Nonetheless, it is in this area that limitations can be seen in the Gramscian model of genuine rather than tacit, acknowledged, societal consensus. It should not be forgotten that the Suharto New Order was generally no less than a despotic, authoritarian, and certainly during its first two decades, a heavy-handed, military-regime that operated in an environment where the legitimate Gramscian consensual techniques of co-optation, compromise, were often institutionalized through corruption.

The New Order ideological bloc, analyzed in the same manner as the economic and political blocs, offered similar explanatory utility through the imperative that matters of cultural and ideological belief systems are factored deeply into any analysis of hegemonic aspirations of legitimate mass subordinate consent. As discussed above, sustaining hegemony requires proliferating an ideological belief system widely throughout society to the extent that it is accepted as universally valid and that its norms and values legitimately express all, including mass subordinate, interests.<sup>961</sup> The bloc's usefulness, therefore, turns on how well it is able to be used to explain how effectively the New Order ideology *Pancasila* and its derivatives were consensually disseminated throughout Indonesian life and the role ideology played in the regime's collapse. In terms of an alternative to the twin-crises approach, the Gramscian historic bloc perspective with its economic, political, and ideological components, shows clear limitations and inconsistencies in the degree to which hegemonic ideology was accepted as morally and intellectually legitimate. Nonetheless, granted Gramsci's requirement that there be a moral limit placed upon the legitimacy of excessive socio-political authority and force,<sup>962</sup> quantifying the balance between consensus and coercion becomes little more than a matter of dialectics.

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<sup>960</sup> Chapter 5, section 5, pp. 230-232.

<sup>961</sup> Chapter 1, section 1.4, pp. 28-32 and section 1.5, pp. 33-35.

<sup>962</sup> Hoare and Nowell Smith, (1971), p.81 and Chapter 1, section 1.4, p. 31.

# *Conclusion*

## *1. Introduction*

The essential elements of the Gramscian model of hegemonic order tested in this thesis, in the context of Suharto's Indonesian New Order, are those relating to Gramsci's understandings of socio-politics: (i) hegemony,<sup>963</sup> (ii) his typology of economic, political and ideological systems that form the historic bloc and signify hegemonic order,<sup>964</sup> (iii) the role of organic intellectuals in maintaining moral and intellectual legitimacy by disseminating ideology into the nation's mass consciousness on behalf of their sponsoring dominant class<sup>965</sup> and, never far from his thoughts, (iv) the associated phenomena of hegemonic legitimacy, hegemonic decay and obsolescence, and counter-hegemony.<sup>966</sup> Gramsci identified ideology closely with culture and believed that, when used to represent and promote the interests of a particular class, ideology could construct hegemonic substance from culture. Gramsci's approach to socio-politics prioritises national unification through hegemonic processes that draw upon cultural formats represented as ideology against a background of order and discipline to manage and direct socio-political behaviour. The processes effectively become techniques of consent management with the ruling class the prime beneficiary. But while the processes favour the leadership arrangement, they can only be effective when they convince society to acquiesce to its own subordination without the ever-present coercive techniques that remain available dominating those of consent.

(i) Gramscian hegemonic order evolves out of the moral and intellectual leadership (Gramsci's legitimising *direzione*) that a class assumes by crafting and disseminating ideology to discipline, inform and govern the masses to acquiesce to the dominant class's interests and values. A regime is deemed to have achieved hegemonic status when a cultural and ideological belief system is articulated and proliferated throughout society so as to be organically acceptable and universally valued by the general population. Gramscian hegemonic socio-political arrangements

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<sup>963</sup> Chapter 1, section 1.3, pp. 26-28 and section 1.4, pp. 28-32.

<sup>964</sup> Chapter 1, section 1.7, pp. 37-40.

<sup>965</sup> Chapter 1, section 1.9, pp. 40-41.

<sup>966</sup> Chapter 1, section 1.6, pp. 35-37.



also require that the authority the dominant group exercises be premised upon control over the state's economic arrangements and processes. Unlike other meanings of hegemony, Gramsci's hegemony is not so much dominance through pure force as the organisation of consent through a balanced duality of coercive and consensual techniques that sustains legitimate political and ideological leadership. Hegemony thus becomes a relationship between elite classes and subordinated social forces by which order is maintained through social interests consenting to a politically and ideologically negotiated system of top-down social alliances. Unless such a class arrangement becomes a political force of national standing and is accepted by the broader society as ideologically legitimate, hegemonic order cannot be sustained.<sup>967</sup>

When a dominant class aspiring to hegemony has diffused a concept of socio-political reality throughout society, informing all customs and religious and political principles with its moral and intellectual spirit, the ruling order's norms and values are deemed valid and its hegemony legitimate. Importantly, the resulting hegemonic order must derive from a combination and balancing of coercion and consensus through persuasion without the former dominating. The essence of Gramscian hegemony, this duality of coercion and consent, depicts how a dominant group not only uses a necessary degree of force to overcome opposition but also how it gains subordinate groups voluntary and consensual support through the persuasive techniques of co-operation, co-optation, and compromise. Hegemony must be exercised predominantly through parliamentary institutions so the implication is that society consents through the normal outlets and institutions of public expression to an appropriate level of force being used against it. As Gramscian societal consensus is premised upon expectations of benefit and its allocation, there must also be a clear indication and understanding as to the permissible range of societal disagreement and challenge as well as acknowledgement that the institutions through which debate is channelled are legitimate.

(ii) Gramscian hegemonic legitimacy is negotiated across an historic period, or historic bloc, that integrates three constituent overlapping economic, political, and ideological elements. The three forms represent blocs in their own right but are collectively over-layered by an ideological binding of national conformity and consciousness that reflects the ruling order's moral and intellectual legitimacy. To

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<sup>967</sup> Chapter 1, section 1.6, pp. 35-36.

legitimise hegemony's ideas, values and politico-economic foundations, appropriate moral and intellectual leadership is framed and sustained by an exclusive rendering of ideology.

(iii) Organic intellectuals form an organic constituency responsible for maintaining the necessary processes that facilitate their sponsoring class's hegemony by negotiating support from subordinate groups to what is in effect their own domination. As well as close involvement in the demands of socio-political affairs, the organic constituency must also play a prominent role in economic production. Ideology is closely identified with hegemony in the Gramscian schema because it provides a determining discourse firmly institutionalised into the nation's consciousness through the state's socio-political and constitutional apparatuses. Traversing the historic bloc's three constituent economic, political, and ideological forms, ideology becomes no less than a binding glue of consensus-specific moral and intellectual legitimacy. The ruling class's organic intellectuals are tasked specifically with managing the economically based processes that legitimise their sponsors' hegemonic ideas and politics.<sup>968</sup> Hegemonic ideology must be comprehensive and reflect more than economic interests: in the Gramscian schema, ruling order must transcend its own corporate interests if it is to extend socio-politically and appeal to the mass's broader, subordinate, needs and aspirations. It is the Gramscian organic intellectual's function to spread hegemonic homogeneity across all socio-political and economic arrangements. Hegemony functions when ideology is transposed into a world-view that is regarded as normal and natural by everyone from the controlling classes down through the subordinate classes and is legitimate when it is accepted as coherent and sufficiently flexible and mediating as to convince those ruled that their domination is consensual. Without such consensus authority is merely precarious domination by force or pure authoritarianism. Gramscian leadership is thus no less than the ruled acknowledging that the rulers' exclusively derived ideology has assimilated subordinate values to represent a genuine unifying national interest.

Gramsci's organic constituency includes the functions of the bureaucracy, the military leadership and elements of the religious leadership that are prepared to accommodate the hegemonic order's ideological inclinations and is best described as the producer and disseminator of ideology on behalf of its sponsoring dominant class.

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<sup>968</sup> Chapter 1, section 1.9.1, pp. 42-46.

The organic intellectual exercises its function by producing desirable socio-political and economic constructs on behalf of the hegemonic order, while the traditional intellectual<sup>969</sup> performs potentially conflicting functions that generally owe their substance to alternative oppositional renderings of ideology based on history, traditional culture and communal life. As well as constantly re-affirming their patron class's ideological right to leadership, organic intellectual influence is also expected to resolve inevitable conflict and contestation between the values and ideals of the ruling and subordinate classes as well as between hegemonic and traditional intellectual values and interests. Traditional intellectual constituencies are best able to take advantage of hegemonic decay and obsolescence because they are able to offer an alternative rendering of ideology that can be intellectualized into an emergent counter-hegemony. As they generally stand between society's masses and the legitimising institutions and symbols of the state, the traditional intellectual is aided in their ability to respond by their significant prestige and socio-political influence.

(iv) An important validating determinant of the model under scrutiny are Gramsci's understandings of the consequences of alternative renderings of ideology combining to mount coherent counter-hegemonic challenge in response to hegemonic obsolescence and decay. Sustaining hegemonic legitimacy requires not only maintaining influence over the plethora of interests that inform mass consciousness but, when necessary, responding to and assimilating them. Should the dominant group cease to represent the values of the national will, and lose its ability to sustain the cohesive ideological alliances upon which its hegemony has been constructed, hegemony will lose its legitimacy. Two issues are critical to sustaining bloc legitimacy: the first is that there be an appropriate response to hegemonic challenge and second, that hegemonic and ideological obsolescence and decay be ameliorated by refurbishing ideological legitimacy through legitimate socio-political institutions and processes. Gramsci cautions that hegemony must never be taken for granted and should challenge and counter-hegemony occur, it will do so within the same legitimate institutions and processes.

In responding to challenge, ideological refurbishment need not necessarily require creating a completely new ideological reality as an altered rendering of existing arrangements will suffice.<sup>970</sup> According to the Gramscian model, to be

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<sup>969</sup> Chapter 1, section 1.9.2, pp. 46-48.

<sup>970</sup> Chapter 1, section 1.6, p. 37.

coherent an emergent counter-hegemony must therefore base itself on a re-arranged national consensus. Counter-hegemony can emerge from numerous sources but generally indicates that an alternative version of ideology has successfully demystified the hegemonic order's ideological subordination of the masses. Challenge can evolve from such issues as questioning the allocation of material benefits and challenging the permissible range of societal disagreement leading to a break-down in ideological consensus and cohesion and thus disagreement as to the legitimacy of the symbols and institutions through which societal consensus is being managed. The key to success in withstanding a coherent counter-hegemonic challenge arising out of changing socio-political and economic realities turns on the effectiveness of the hegemonic order's responsive realignment of consensual arrangements.

***1.1 Thesis Proposition 1: That the Gramscian historic bloc – through its economic, political and ideological forms – explains the Suharto New Order regime's hegemonic domination.***

***1.1.1 The New Order economic bloc.***

In Gramscian terms, to achieve its economic agendas, the leadership arrangements of the Suharto New Order economic bloc sustained hegemony through development and growth underwritten ideologically by the legitimising requirements of a *Pancasila*-ist economy. The New Order's *Pancasila*-ist economy's premising of moral and intellectual legitimacy on goals of prosperity through an equitable nationalist economy and social egalitarianism (with the state existing for the collective well-being rather than the individual) offered as a counter to perceived Sino-Indonesian dominance of the economy an ideologically based alternative that would improve majority *pribumi* economic interests. *Pancasila*'s fifth principle specifically provides for the state dominating an economic system built on social justice, economic and social egalitarianism and prosperity, yet economic development proved anything but equitable and just.<sup>971</sup> Notwithstanding legitimising endeavours to satisfy popular-nationalist demands through intensive state involvement in the

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<sup>971</sup> Introduction, section 1, pp. 4-5.

economy, ABRI's economic affairs and the efforts of politically-connected *pribumi* economic elites, the fruits of development were primarily shared among predominantly Sino-Indonesian conglomerates and interests close to centres of power and patronage.

As well as the state's heavy involvement in the economy through the massive state owned enterprises, the nationalist imperatives of a *Pancasila*-ist economy were ideologically tightened by ABRI's deep penetration into the New Order economy. Initially acquired when the huge Dutch trading companies and corporations were nationalised by the Sukarno regime and turned into virtual military fiefdoms, ABRI's vast corporate holdings expanded with the economy. As the regime's most powerful socio-political resource, ideologically bound to the people as guardians of the national interest, ABRI assumed an influential role legitimised by the Constitution over economic life. *Pancasila's* doctrinal derivative *dwi fungsi* legitimised deep military intrusion into the political structure down to governing at district levels that enabled the military to oversee the many rural development projects that reinforced regime legitimacy among the general population. *Pancasila* and its derivatives also legitimised indirect military involvement in economic and industrial activity. The *Kekaryaan* policy moved selected military personnel into senior positions in key non-military state and private enterprises ensuring not only opportunities for personal and material gratification and ABRI's general financial well-being, but also provided that the regime had a direct, potentially coercive, hand in economic development.<sup>972</sup> With trusted officers positioned to control all key aspects of the economy, including senior management of the vital state oil corporation Pertamina, important national strategic food supply and distribution agencies and major state-sector trading and financial institutions, the nationalist economic aspirations of a hegemonic *Pancasila*-ist economy were to a large extent satisfied. The co-operative welfare implications of the *yayasan* charitable foundations, strongly encouraged within the 1945 Constitution and often fronted by Sino-Indonesian businessmen on behalf of military partners, also strengthened the economic bloc's egalitarian *Pancasila*-ist underpinnings. ABRI's ideologically-derived dual function *dwi fungsi* role confirmed both the institution's socio-political and ideological

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<sup>972</sup> Chapter 5, section 2.2, pp. 194-195.

legitimacy and its powerful position within the New Order economic arrangement also provided a national-popular counter-balance to Sino-Indonesian influence.

From the outset, in contradiction of *Pancasila*'s egalitarian tenets, *pribumi* business interests (by definition prejudicial to Sino-Indonesian economic interests) remained economically weak and were obliged to pursue business opportunity and advantage through participatory arrangements with either Sino-Indonesian interests or well-placed politico-bureaucratic and military opportunists. Meeting the legitimising needs of the *Pancasila*-ist economy and its ideological imperatives required a careful balance between rationalising nationalist-populist pretensions through substantial state involvement in the economy and those of the alliance of elite interests that underwrote New Order economic authority. Notwithstanding the prominent role of the state sector, the operating reality of the New Order economic arrangement saw the institutionalised and politically motivated allocation of bank credit, government contracts and concessions prioritising the interests of the politico-bureaucracy, their patrons and well-connected elites. Ensuring the ongoing authority of the organically disposed techno-bureaucratic constituency was also integral to sustaining bloc hegemonic legitimacy. In return for economic and political support highly empowered officials and functionaries favoured the New Order capitalist system with protection from reformist economic tendencies and preferentially dispersed the benefits of some three decades of highly successful state-promoted economic and industrial development.

The majority of the Indonesian people were nonetheless better off under the New Order and acquiesced to the reality of economic inequity. After the economic disaster and social hardships of the Sukarno era, Indonesia's access to international finance and its burgeoning oil profits during the first decade of the developmental process provided the New Order sufficient resources to dramatically improve the general welfare. Successful New Order economic development enabled substantially improved levels of education, increased efficiency in rice production and distribution (notwithstanding counter-poising high levels of corruption), improved social security and offered more opportunity for upward mobility, pecuniary advantage and comfortable retirement among not only the favoured bureaucratic elites but also the growing urban middle class. Revenue surplus from *Pancasila*-ist economic development enabled the regime to subsidise heavily government and regionally targeted distribution policies heavily reducing poverty from some 60% to

less than 15% in the course of thirty years of New Order hegemony.<sup>973</sup> An important consequence of development success was the New Order's willingness and ability to greatly expand the Indonesian education system. Heavy expenditure on building and staffing schools in the outer regions enabled millions of Muslim children and young adults to receive education opportunities up to secondary school level and beyond unimagined by their parents' generations. While the economic bloc was able to sustain itself through the devices of protection, monopoly, credit and preferential access to business advantage, it also therefore benefited from a highly disciplined, low-wage work force founded on state-funded education. But heavy expenditure on grass-roots education had the direct consequence that by the late-1980s Islam was coming to present a more prominent and conspicuous element of modern Indonesian society than it had been during the early years of the New Order and heightened the consciousness of a growing class of Indonesian Muslims to the iniquitous position their indigenous majority held within the economy.

In terms of Gramscian hegemonic refurbishment, the economic deregulation policies demanded by the dramatic drop in oil revenues during the mid-1980s exemplified the model but deregulation and reform proved a bonanza for domestic capital and advantaged the Sino-Indonesian conglomerates and their connections over their proportionately fewer associates among the indigenous business community. Although forced upon the state planners, the *laissez-faire* privatisation programmes of the late-1980s and early 1990s demanded by changing economic realities proved timely in terms of hegemonic refurbishment by offering the bloc an opportunity to refurbish ideological legitimacy and reinforce alliance arrangements with domestic capital to enable necessary re-alignments among the intra-elite alliance structure. Gratefully embraced by the regime, privatisation programmes empowered the bloc with the legitimacy to adjust the reward structure and transfer commercial advantage among the constantly changing arrangement of strategically placed politico-corporate elites. While the opportunities offered popular-nationalist economic imperatives to rebalance Sino-Indonesian corporations more in favour of *pribumi* interests, the reality of politico-economic adjustment saw only a small minority of well-connected, predominantly Javanese, elites led by the President, his family and associates, gaining most from the economic opportunities and

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<sup>973</sup> Chapter 6, section 7, p. 281.

resources that should have been deployed in terms of legitimate hegemonic refurbishment to strengthen indigenous economic interests.

The shattered economy of the Sukarno era recovered rapidly under the New Order and economic growth of at least 5% was maintained for fifteen years until 1982 when a downturn in the international oil market forced a period of economic reform but investments coming on stream from more than a decade of windfall oil profits and a modicum of prudent regulatory reform sustained growth of at least 7% thereafter until the late-1990s. To varying degrees, and at appropriate times to satisfy the needs of hegemonic refurbishment in the face of changing economic circumstances, the bloc employed three general economic and industrial policy frameworks that each complied to varying degrees with the legitimizing exigencies of Gramscian hegemonic refurbishment and continuance.<sup>974</sup> Economic nationalism conformed to the tenets of a *Pancasila*-ist economy by favouring ideologically-populist state-led strategic industrial development, trade protection and extensive state investment in the economy, to sustain regime legitimacy as well as the authority of the organic techno-bureaucracy charged with allocating state resources and capital. Strongly *Pancasila*-ist economic populist initiatives forced upon the bloc by anti-Sino-Indonesian xenophobia sustained the bloc's popular legitimacy through subsidies on basic domestic commodities and the funding of regional and local development projects and programmes. The third general framework of predatory bureaucratism remained constant throughout the New Order and as the prime empowering instrument of the bloc's organic constituency was able to satisfy hegemonic imperatives by sustaining the alliance of elite economic interests vital to bloc cohesion.

### ***1.1.2 The New Order political bloc***

The New Order political bloc also exemplified prime characteristics of the Gramscian model by institutionalising and embedding the *Pancasila* political derivative *Pancasila demokrasi* as ideological discourse to legitimise necessary processes of balanced coercion and consensus. Socio-political order and conformity was essential if the developmental agendas upon which New Order legitimacy rested were to be met. Socio-political expression outside permissible frameworks was firmly

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<sup>974</sup> Chapter 4, section 1.2, pp. 139-142.



proscribed by balancing ABRI's coercive influence down through every level of society with participatory political processes that regularly rearranged and reasserted the moral and intellectual legitimacy of the New Order political system. During the first decade of the New Order the regime deployed the military, its most powerful coercive resource, to first remove socio-political challenge from communism and then the socio-political alternative of a mobilised *politika Islam*. A persuasive rendering of *Pancasila*, formulated into the military doctrine *dwi fungsi* guaranteed regime socio-political and ideological oversight across the archipelago and the potentially divisive social force of Islam was assimilated into the alliance system through the highly prescribed parliamentary system. The consensual aspect of hegemonic order found legitimacy in the 1945 Constitution and the ideologically defined, *Pancasila* derived, political process *Pancasila demokrasi* that formalised and tied political participation to an institutionalised system managing order and control at every level of national life. *Pancasila* provided the New Order with a hegemonic ideology that not only legitimised the bloc's political arrangement of national life but also both stabilised a divided society and provided a legitimate basis from which the nation could be mobilised behind egalitarian socio-political betterment and economic development.

Ongoing Gramscian hegemonic refurbishment rearranged political processes as needed to assimilate potentially problematic subordinate values and interests and crafted sufficient socio-political compliance during the three decades of New Order hegemony that some 88% of the electorate regularly took an active part in the electoral process. The first and most profound example of ideological refurbishment occurred with the rationalisation and reconstruction of the political party system in 1974 that separated mass political participation into the easily controlled groupings of the state party GOLKAR that compulsorily included all state employees, the PPP that combined Muslim interests, and the PDI that represented a broad grouping of secular-nationalists including Christians and other minority religions.<sup>975</sup> GOLKAR guaranteed ABRI access to the legitimate political institutions of the state and with 20% of parliament's seats and 40% of all senior government and administrative positions allocated to serving and retired military personnel ABRI were guaranteed a constant high level of parliamentary influence. The 1978 programme of *Pancasila* refresher courses, termed P4, reaffirmed the importance of ideological

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<sup>975</sup> Chapter 5, section 2.2, pp. 196-197.

unity and socio-political responsibility within the civil service.<sup>976</sup> In 1984 the regime directive *Azas tunggal* compelled all mass organisations to acknowledge the bloc's socio-political legitimacy and accept *Pancasila* as their organisations' sole foundation.<sup>977</sup> The acronym SARA, regularly referred to in the media, constantly reminded the people of the need for socio-political conformity by identifying the sensitive issues of race, ethnicity, and religion as to be publicly discussed or politicised under no circumstances.<sup>978</sup>

Until an Islamic resurgence coincided with a global spread of liberal ideas and human rights at the end of the Cold War in the late 1980s, the New Order political bloc exhibited all of the processes of cohesion and socio-political control called for by the model. But the subsequent loosening of the political system in 1991 following the contradictory pressures imposed by ABRI resurrecting their *Kewaspadaan* doctrine of ideological tightening and the President's *Keterbukaan* initiative calling for less restrictive socio-political debate, set the tone of a new socio-political environment that highlighted growing fractures within Indonesian society and tested *Pancasila's* validity as the binding glue of hegemonic legitimacy.<sup>979</sup> With the formation of the modernist Islamic intellectual organisation ICMI and the assimilation into the bloc of a section of Islam prepared to accommodate the bloc's secular-nationalist hegemonic constituencies and accrue socio-political influence and advantage, a critical questioning of socio-political consensus and bloc legitimacy took place.<sup>980</sup>

As appropriate Gramscian hegemonic compliance would demand, the New Order leadership assembled a powerful organic constituency to consolidate its hegemonic representation of the state ideology *Pancasila* for mass consumption. The ideological bloc thus formed was able to sustain class domination for some three decades by assimilating an all-encompassing compromise of subordinate views and interests into regime socio-political and economic agendas and sustaining a high level of national consensus, notwithstanding the problematic range of ethnic cleavages that had earlier threatened to tear the new Republic apart. The behaviour of the New Order ideological bloc validated and conformed to Gramsci's insights into hegemonic

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<sup>976</sup> Chapter 6, section 1.3.3, pp. 252-254.

<sup>977</sup> Chapter 6, section 1.3.4, pp. 254-256.

<sup>978</sup> Chapter 6, section 1.3.1, p. 251.

<sup>979</sup> On *Kewaspadaan* and *Keterbukaan* see above Chapter 6, section 2, pp. 257-258 and section 2.1, pp. 258-261.

<sup>980</sup> Chapter 5, section 3.2.5, pp. 221-224.

consistency by offering the state ideology *Pancasila* as a set of potentially unifying principles that underpinned bloc legitimacy by both stabilizing divided society and providing a construct upon which egalitarian socio-political and economic development could be pursued.<sup>981</sup> Through an exclusive rendering of ideology that encouraged belief in God (but not an exclusionary Islamic one thereby denying a deepening Islamisation of the Indonesian polity) the New Order ideological bloc exemplified the Gramscian model by consistently assimilating, moderating, co-opting subordinate views and only compelled and coerced ideological conformity when they believed they were confronted by threats to national unity.<sup>982</sup>

Contesting the bloc's organic constituencies (primarily the secular-nationalist military and the techno-bureaucracy), in Gramscian terms, the irreconcilably fractured traditional intellectual constituency of mass Islam remained the prime source of potential counter-hegemony were it able to coalesce into a unified cohesive force. Until the late-1980s, an adept progression of hegemonic refurbishments, assimilation and co-optation sustained a fine balance between the secular-nationalist orientations of the New Order *Pancasila*-ist state and the growing socio-political consciousness of Indonesia's predominantly Muslim society.<sup>983</sup> As the 1990s unfolded, the *abangan/santri* separation reflecting degrees of Muslim piety, together with the influence of an Islamic intellectual divide between scripturalism and accommodation, caused increasing debate and raised growing doubt within society as to the legitimacy of the ideological bloc's rendering of conformity that formed the basis of the New Order *Pancasila* state.<sup>984</sup> Although *Pancasila* remained the exclusive instrument of New Order hegemonic discourse, alternative interpretations and renderings of the doctrine's true meaning and intent found a basis for growing debate among a diverse range of social forces that included the military, the consequences of heightened Islamic socio-political consciousness, and a diverse array of secular-nationalist interests that traversed both.

Revitalised Islam led to resurgent Islamic socio-politics and traditional influences attempted to capture *Pancasila* itself to challenge its exclusive use by the New Order as the intellectual and moral basis of hegemonic legitimacy. The

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<sup>981</sup> Chapter 6, section 7, pp. 280-281.

<sup>982</sup> For a discussion on the validity of force when the majority of society agrees that it is necessary in the national interest, see above, Chapter 1, section 1.4, p. 30.

<sup>983</sup> Chapter 6, section 7, pp. 281-282.

<sup>984</sup> Chapter 6, section 2.2, pp. 264-266.

ideological bloc was obliged to conform to Gramscian imperatives and renegotiate its legitimacy in the face of the changing situation by assimilating the accommodative stream of Islam represented by ICMI, into the hegemonic structure.<sup>985</sup> But *politika-Islam* had been polarised on the powerless peripheries of the ideological bloc's influence for some twenty-five years and lacked the skills of compromise as well as the institutional means of a cohesive polity to coalesce into socio-political unity. While ICMI had intellectual access to some thirty million modernist Muslims, some thirty million traditionalist Muslims remained on the political periphery, outside bloc influence, and found voice in Wahid's oppositional stance based on his inclusive, religiously neutral, secular-nationalist rendering of *Pancasila*.<sup>986</sup> Hopelessly divided yet able to mobilise mass followings behind their various factions, Indonesian Islam troubled the establishment elites and the fear of sectarianism and a resurgent *politika-Islam* linked to grass-roots mass society by the President's *Keterbukaan* call for more socio-political openness, hardened the military's own ideological/doctrinal stance, verbalised as *Kewaspadaan*, profoundly contradicting the bloc's legitimising and unifying tenets.<sup>987</sup>

### **1.1.3 The New Order ideological bloc**

The behaviour of the New Order ideological bloc in terms of the Gramscian model thus showed distinct shortcomings. Islam's prevalence and growing mass potential made *Pancasila's* hegemonic secular-nationalist representation of the state ideology - the ideological pillar of the New Order bloc - increasingly unconvincing to the majority and the consensual aspects of hegemonic legitimacy came under growing question. The Gramscian model remained sound in terms of his insights into ideological legitimacy and refurbishment but in the New Order context, the hegemonic legitimacy of the ideological bloc became progressively more deficient as the assimilation of subordinate groups' non-negotiable demands became increasingly contradictory. Yet while a range of oppositional forces found common ground for intellectual challenge within alternative understandings of *Pancasila's* legitimate role in national life, cohesive counter-hegemony around a new common rendering of ideology was unforthcoming and it fell to student-led mass

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<sup>985</sup> Chapter 6, section 2.2, pp. 264-266.

<sup>986</sup> Chapter 6, section 7, pp. 282-284.

<sup>987</sup> Chapter 6, section 2.1, pp. 258-262.

protest behind demands for *reformasi dan demokrasi*, only loosely identified with *Pancasila* and therefore unsustainable as a long-term, counter-hegemonic, movement to bring down the regime. In Gramscian terms, the depiction of New Order hegemony as an ideological bloc concludes that Suharto's dominance was unable to assimilate increasingly legitimate broader mass values and demands to the extent that hegemonic decay and obsolescence occurred and ultimately led to hegemonic failure.

#### ***1.1.4 Proposition summary***

For some thirty years the New Order closely contrasted the Gramscian model by mobilising Indonesia behind hegemonic nation-building and developmental agendas through an exclusive regime representation of the state ideology *Pancasila* that called upon aspects of powerful cultural symbolism to underwrite moral and intellectual legitimacy. The Gramscian schema's processes of consent management expressed through Gramsci's analytical construct the historic bloc and its three specific forms underpinned by the legitimacy of state ideology illustrate precisely the evolving machinations of the New Order socio-political and economic management of Indonesian life. Drawing upon the Gramscian model of hegemonic order enabled a convincing explanation as to how each of the New Order historic bloc's component elements instituted and sustained themselves through appropriate legitimising imperatives of limited coercion balancing consensual techniques of co-optation and elicited cooperation. Persuasive techniques solicited key economic sectors behind regime economic agendas and society-friendly regional policies promoted development. The organic techno-bureaucracy was provided sufficient coercive power to implement regime agendas as well as sufficient power of inducement and preferential allocation but in satisfying the consensual aspects of economic hegemony orchestrated a culture of patronage and corruption that came to define the New Order bloc and contradicted the egalitarian ideals upon which moral and intellectual legitimacy had been negotiated. The demands of hegemonic management required ongoing renegotiation of alliance arrangements and interests in response to ever-changing socio-political and economic realities but generally well-connected interests were the prime beneficiaries of development. To a large extent the bloc complied with the need for economic reform but pragmatic adjustment policies generally prevailed over those that might threaten hegemonic alliance interests and with the

indigenous, predominantly Muslim masses benefiting the least, the legitimising requirement of the model were neglected.

Because of its focus on crafting mass perceptions of ideology and culture to order socio-political life the Gramscian historic bloc's political form, the political bloc, offered a highly appropriate means of explaining the New Order political leadership's exclusive representation of ideology to underpin hegemonic legitimacy. The Gramscian schema enables a concise identification of the processes through which *Pancasila's* political derivative *Pancasila demokrasi* formalised and tied the New Order political system to valid democratic institutions thereby legitimizing tight control over all levels of Indonesian social politics. *Pancasila* and its derivatives pervaded all three forms of the bloc. Through its self-proclaimed doctrinal/ideological derivative *dwi fungsi*, ABRI provided the political bloc's coercive functions while potentially divisive socio-political forces complied with the compromises implicit in commitment to a *Pancasila*-ist, secular-nationalist state. The Suharto regime also effectively contrasted the legitimizing tenets of Gramscian hegemonic order that the New Order political bloc respond to changing socio-political conditions and realities by re-negotiating and adjusting alliance arrangements with the subordinate masses through ongoing processes of hegemonic refurbishment. Potential counter-hegemonic challenges built on alternative renderings of ideology from both communism on the left and *politika Islam* on the right were crushed during the first decade of the New Order, while hegemonic arrangements were still being established, and ABRI's dual-function socio-political and security role ideologically institutionalized hegemony's coercive imperatives into doctrine as *dwi fungsi* and politically through military domination of the regime political party GOLKAR. Amalgamating all political parties into manageable groupings in 1974, both forcing and consensualising all mass social organisations into acknowledging *Pancasila* as their *raison d'être* through *azas tunggal* in 1984 and reaffirming civil servants' socio-political and ideological responsibilities through the P4 programme and SARA's proscription of the issues around which political mobilisation could not occur, completed the ideological institutionalisation of *Pancasila's* political form, *Pancasila demokrasi*.<sup>988</sup>

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<sup>988</sup> Chapter 5, section 5, pp. 231-233.

Hegemonic legitimacy requires the dominant class not only influencing and ordering broader economic and socio-political interests but also through moral and intellectual leadership sustaining consensus through ongoing response sensitive to changing mass interests and values. Lacking this vital legitimising agreement, based on firm leadership and direction, the corporatist arrangements prevalent in East and Southeast Asia during the post-World War 2 era that linked government, business and labour, fell far short of Gramscian hegemony and merely represented precarious domination through authoritarianism. Testing the Suharto New Order's quest to legitimise its leadership and development agendas against the Gramscian model of hegemonic order therefore emphasises the prime importance of ideology in eliciting national consensus to the legitimacy of rule. The Suharto New Order's representation of *Pancasila* illustrated clearly the vital enabling behaviour of Gramscian hegemonic discourse as a means of accounting for the moral and intellectual basis of the all-encompassing ideological bloc to legitimise hegemonic order. As would be expected under the Gramscian model, the nation was compelled to acknowledge *Pancasila's* tenets assimilated and moderated through an array of coercive, cooptive and persuasive processes. As represented by the New Order, *Pancasila's* tenets exemplified the Gramscian model by providing a formula that enabled ideological consensus to be crafted broadly across all of society's subordinate groups including the potentially divisive strains and levels of Islamic observance as well as secular-nationalist interests. Contrasting the New Order with Gramsci's insights into ideological legitimacy therefore provides a highly valuable and robust analysis that goes beyond mere authoritarianism in explaining the New Order's deployment of *Pancasila* to legitimise socio-political and economic agendas. By treating economics, social politics and ideological leadership as essential complimentary components of an integrated whole, Gramsci's analytical construct, his historic bloc, provided a schema able to rationalize an understanding of the powerful influence of culture and religion upon Indonesian life under the Suharto New Order.

#### ***1.1.5 Does the New Order economic bloc closely fit the Gramscian model?***

Gramsci's economic bloc provides a close fit when used to explain how New Order economic agendas were hegemonically diffused through ideologically legitimizing *Pancasila*-ist imperatives and persuasive techniques to solicit key economic sectors behind regime agendas without coercion overplaying the consensual

techniques of co-optation, elicited cooperation and corruption. The fit draws closer when the role of the organic techno-bureaucracy is understood in terms of their function implementing hegemonic agendas that balanced implicitly legitimate socially-friendly policies of economic egalitarianism with the interests of the well-connected hegemonic classes. That the consensual requirements of economic hegemony, and the needs for an ongoing rearrangement and realignment of elite alliance interests that could respond to changing socio-economic realities, spawned a growing culture of patronage and corruption favouring well-connected interests over those of the Muslim masses and questioned bloc legitimacy is less the fault of the model than the influences of New Order elite culture and behaviour upon the model.

#### ***1.1.6 Does the New Order political bloc closely fit the Gramscian model?***

From the perspective of the political bloc, the fit with the model is less convincing particularly in terms of sustained hegemonic legitimacy. Although socio-political legitimacy required conscious mass acceptance of an hegemonic arrangement of the state doctrine *Pancasila's* political derivative *Pancasila demokrasi*, formalised and tied to valid democratic institutions, ABRI's appropriation and domination of the processes of ideological conformity tend to contradict the legitimacy implicit in the hegemonic model. ABRI's hegemonic organic role, although ideologically legitimised through *dwi fungsi* and politically formalized through the institution's dominant role over the political system, and deemed an essential pre-requisite to socio-political stability and economic development, came with a level of coercion that tended to question whether national consensus to hegemonic New Order rule was derived from a preponderance of pure authoritarianism. While the New Order political bloc *prima facie* exemplified the behaviour of the Gramscian model by rendering *Pancasila's* legitimising tenets in such a way as to craft a broad mass consensus based on a pragmatic assertion of unity, hegemonically derived consensus effectively came at the cost of peripheralising the genuine political aspirations of the majority Islamic mass constituency.

#### ***1.1.7 Does the New Order ideological bloc closely fit the Gramscian model?***

The New Order ideological bloc proved to be a closer fit to the Gramscian model than both the economic and political blocs. Notwithstanding the New Order assigning *politik-Islam* to the periphery of the *Pancasila demokrasi*



*political arrangement* for some twenty-five years (until a pragmatic realignment of moral and intellectual legitimacy enabled more Islamic social and political influence from the early 1990s) a liberal form of Islam proliferated, generally amenable to the regime's secular-nationalist unifying agendas. Having removed the threat from the left of communism early in its rule, the New Order's empowerment and institutionalization of *Pancasila* and its derivatives as a hegemonic discourse of moral and intellectual legitimacy had nonetheless successfully provided the bloc with the means of ameliorating the potentially destabilizing and primordial influences of *politika-Islam* and thereby closely fitted the model by reducing a potentially counter-hegemonic ideological constituency to the status of a social force amenable to regime agendas.

***1.2 Thesis Proposition 2: That Gramsci's theories on hegemonic crisis and counter-hegemony explain, to a substantial degree, the hegemonic obsolescence and decay that led to the Suharto New Order collapsing in 1997/8.***

This second proposition considers how effectively Gramsci's theories on hegemonic decay and obsolescence account for the collapse of the Suharto New Order in 1997/8 and provide key insights and timely clarity to the issues involved in the circumstances of regime failure. To comply with the Gramscian model the Suharto New Order would have had to refurbish constantly and effectively the hegemonic arrangements as necessary by assimilating the broader non-negotiable interests and values of a predominantly Muslim society and a wide range of secular-nationalist interests and demands into bloc legitimacy to avoid hegemonic decay and obsolescence and the likelihood of a coherent counter-hegemony surfacing around an alternative rendering of ideology.<sup>989</sup> Gramsci was clear that an emergent successful counter-hegemony did not necessarily require replacing the hegemonic arrangement's representation of ideology with a new and already formulated one but processes that transformed and rearticulated existing ideological/cultural elements into a comprehensive coherent reality, acknowledged by the masses, would suffice as long as they could be organized socio-politically and legitimately.<sup>990</sup> The likelihood of a

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<sup>989</sup> Chapter 1, section 1.6, pp. 35-37.

<sup>990</sup> Chapter 1, section 1.6, p. 37.

counter-hegemony coalescing and emerging depended upon the hegemony's ability to respond and refurbish itself ideologically in the face of challenges from changing socio-political and economic circumstances.

Despite the New Order instituting processes of ideological refurbishment from the late-1980s to confront threats from both a resurgent socio-political Islam and a dissatisfied military and also from the political and economic crises of the mid-1990s, hegemonic refurbishment ultimately failed. In Gramscian terms, subordinate values and interests from the nation's two most powerful socio-political forces were inadequately assimilated into hegemonic arrangements resulting in hegemonic decay and obsolescence.<sup>991</sup> Yet a coherent counter-hegemony, able to disseminate an alternative ideological package and win over the hearts and minds of the masses, failed to coalesce due to the inability of traditional discourse to compromise divergent stances and offer a unified constituency that demystified mass subordination to the bloc's ideological legitimacy.<sup>992</sup> A wide range of oppositional stances failed to unify into a coherent challenge because of their contradictory positions around differing understandings and renderings of *Pancasila* and its derivatives. Hegemonic decay and obsolescence in terms of bloc legitimacy and potential counter-hegemony occurred through divergence and incoherence across each of the historic bloc's overlapping economic, political and ideological forms.

During the late-1980s and early-1990s, divergence and contradiction among the organic techno-bureaucracy over the demands of a modern internationally competitive economy increasingly defined the New Order economic bloc, elements within the military grew increasingly frustrated and concerned at the contradictions in their institution's ongoing involvement in economic and corporate affairs with the valid demands of military professionalism, while the majority of the Indonesian people increasingly questioned the legitimacy of the New Order's *Pancasila*-ist economy and ABRI's involvement in it.<sup>993</sup> Failure to sustain the legitimizing tenets of the *Pancasila*-ist economy both weakened the alliance of interests underwriting the bloc's economic arrangement and also questioned the legitimacy of the validating social contract implicit in the relationship between the *Pancasila*-ist economy and the Indonesian people. The egalitarian popular-nationalist tenets of the *Pancasila*

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<sup>991</sup> Chapter 1, section 1.6, pp. 35-37.

<sup>992</sup> Chapter 1, section 1.6, p. 37.

<sup>993</sup> Chapter 4, section 3.4, pp. 164-169 and section 4, pp. 169-172.

economy were largely being met through the state's substantial involvement in the economy both directly through the state owned enterprises and indirectly through ABRI'S ideological and doctrinal legitimacy as guardians and protectors of the entire range of the national interests including the economy. *Pancasila's* economic nationalist imperatives were also claimed through an array of indigenous co-operative ventures and the somewhat dubious business interests of the President's family, cronies, and favoured business associates' *pribumi* credentials. Although representing less than 4% of the population, the Sino-Indonesians were widely believed to control the economy so it was generally felt that in the interest of socio-economic equity and clearly in terms of ideological legitimacy, their hold over the economy needed to be reduced in favour of indigenous interests.

Hegemonic response argued that the first family's business empire, an inefficient state-supported and over-funded co-operative sector, ABRI and the SOEs' commercial influence, and the state's policies of subsidized credit programs aimed at strengthening indigenous commerce, needed to be understood as compensating attempts to assist *pribumi* commercial power gain sufficient expertise to ultimately compete with Sino-Indonesian commercial pre-eminence. This cynical *Pancasila*-ist view, together with the deeply embedded culture that tied business to politics and allowed powerful politico-business interests to remain the prime beneficiaries of development and opportunity, seriously undermined the economic bloc's hegemonic legitimacy. When indigenous capital did manage to emerge and compete with Sino-Indonesian conglomerates, success tended to involve association with the strongly secular, civil and military bureaucratic class rather than with the traditional Muslim petty bourgeoisie class notwithstanding they represented an overwhelming indigenous majority.

While the privatization aspects of the financial and economic deregulatory reform and liberalization program of the late-1980s and early-1990s compromised the popular-nationalist tenets of the bloc's *Pancasila*-based economy, privatization nonetheless offered profitable yet problematic hegemonic refurbishment opportunities for the regime. Privatization was intended to move assets out of state control into the private sector so nationalist popular support was not ideologically strong and when major state assets were sold off, rather than go to indigenous co-operative arrangements, they generally went to well-connected conglomerates and politico-business families further narrowing the concentration of economic power and

wealth notwithstanding a tightening of organic solidarity. Banking system reform gave local and foreign banks more space to operate locally and permitted state-owned banks to be converted into private ownership generally away from indigenous influence. While the reforms were intended to open the state sector to more liberal processes the conglomerates, major politico-business family interests and the President's family and associates were the major beneficiaries of ideologically-compromised reform processes that merely re-aligned the key players within the bloc's hegemonic alliance structure.<sup>994</sup> Effectively the reform and liberalization processes did little more than broaden the gap between the wealthy few and the disadvantaged majority thereby contradicting the egalitarianism and societal equity implicit in a legitimate *Pancasila*-ist economy.

From the mid-1990s, despite growing economic inefficiency, organic techno-bureaucratic influence continued to prioritize the interests of the ruling elites to the detriment of subordinate interests and neglected the compromises essential to sustained hegemonic legitimacy. The powerful techno-bureaucracy, together with the President's family and associates continued to influence and dominate the New Order economic bloc un-sustained by any deepening in the system of rules, property rights, contractual procedures, and legitimate institutional structures. Essentially, bloc cohesion and legitimacy was maintained by coping with the needs of market adjustment through socio-politically and ideologically problematic re-alignments among elite economic interests to the detriment of the subordinated, increasingly dissatisfied, majority. But the former pre-eminence of the bloc's ideologues and solidarity-makers over ideological coherence was being questioned by elements within the formerly subordinated techno-bureaucracy unimpressed by ideological symbol-waving and under increasing pressure both internationally and domestically for more than symbolic economic and financial reforms.<sup>995</sup>

In terms of the Gramscian model, issues of equity and social justice, the concentration of politico-economic power among a corrupt minority, contradictions between ideologically inspired economic nationalism and the need to integrate with the global economy and tension between, on the one hand, a bureaucracy under external pressure to commit to fiscal discipline and, on the other, predatory capitalists seeking state protection or credit, were causing unacceptable levels of uncertainty and

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<sup>994</sup> Chapter 4, section 3.4, pp. 164-169.

<sup>995</sup> Chapter 4, section 3.4, pp. 164-169 and section 4, pp. 170-173.

social tension that increasingly contradicted bloc legitimacy. The hegemonic legitimacy of the bureaucratic/corporatist social contract with greater Indonesian society that had bound bloc cohesion for some three decades was decaying and under threat from an emergent popular opposition led by an assemblage of traditional intellectuals focusing on the lack of economic egalitarianism, social justice and economic inequity threatening to reconstitute ideological legitimacy into a viable counter-hegemony by calling for a return to the tenets of a true *Pancasila-ist* economy. Potential counter-hegemonic forces were putting voice to a growing distaste for a business culture that institutionalized political manipulation and corruption in total contradiction to the moral and intellectual legitimacy implicit in a true *Pancasila-ist* economy and demanded economic reforms that embraced open and legitimate market processes, prudent fiscal governance, and stronger legal regulatory and administrative frameworks.

From the beginning of the 1990s, subsequent fragmentation and divergence within the New Order political bloc was not limited to elements of the powerful socio-political constituencies, the military and Islam, but included a wide range of conflicting and often contradictory secular-nationalist stances that placed added pressure upon bloc legitimacy.<sup>996</sup> All socio-political positions found substance for debate within conflicting visions as to the validity of *Pancasila* and its derivatives in a changing socio-political environment and to varying degrees increasingly focused their voices of protest behind growing demands for more general *reformasi dan demokrasi*. Debate within the officer corps polarized the institution that had formerly underwritten the bloc's organic substance around the issues of military professionalism and the continued validity of *dwi fungsi* legitimizing ABRI intrusion into every aspect of Indonesian life. A resurgent Islam and a diverse range of social forces debated *Pancasila's* true meaning and intent while most of the nation questioned the illiberal nature of the nation's political arrangements as prescribed by the New Order's political derivative, *Pancasila demokrasi*. While debate focused on the New Order's representation of *Pancasila* and its increasingly dubious legitimacy, the over-riding issue informing most socio-political stances became the future status and influence of a resurgent mass based *politika-Islam*.<sup>997</sup>

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<sup>996</sup> Chapter 5, section 3.2.6, pp. 225-226 and section 4, pp. 226-229.

<sup>997</sup> Chapter 5, section 4, pp. 226-229.

The Suharto New Order defined, deployed and legitimized an exclusive *Pancasila*-ist range of democratic processes under the rubric of *Pancasila demokrasi* for some three decades in underwriting the socio-political hegemony defined by the New Order political bloc.<sup>998</sup> Political processes had remained the exclusive domain of the New Order and Gramsci would recognize this as hegemony at work, as a self-serving system of alliances intended to broaden popular appeal and enable consensual socio-political transformation from above.<sup>999</sup> Discovering what is politically possible and workable in the context to which it must apply, identifying those issues that might best be the subject of compromise and isolating those which might be better deferred indefinitely, is not only the true purpose of democratic institutions but also clearly part of the Gramscian schema.<sup>1000</sup> The New Order negotiated the necessary processes pragmatically but if such processes are to work they must operate within agreed, legally constituted frameworks of legitimacy. Ideological legitimacy, the vital ingredient of the Gramscian hegemonic model, increasingly absented itself from the New Order political bloc legitimizing processes as defined by a regimist *Pancasila demokrasi* and became increasingly compromised by their exclusionary nature and the indefinite deferment of more liberal democratic participation. Essentially the New Order political bloc's hegemonic legitimacy decayed and the arrangement became obsolete because *Pancasila demokrasi*'s legitimizing tenets of unanimous, consensual democracy based on traditional Javanese values of consultation and consensus became unsustainable.

The key issue in applying a Gramscian hypothesis to the hegemonic crisis brought about by New Order decay and obsolescence is found in the contradictory organic and traditional ideological responses to the deteriorating socio-political and economic conditions of the 1990s. An appropriate Gramscian response would have broadened the political bloc's popular appeal through top-down processes of hegemonic refurbishment to assimilate the non-negotiable values and beliefs that were emerging from throughout society and threatening to form a coherent counter-hegemony, into organic legitimacy. A serious crisis requires rebalancing socio-political forces, adapting ideologies and, if necessary, restructuring state institutional practices. In Gramscian terms, a class cannot sustain its hegemony if it confines itself

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<sup>998</sup> Chapter 5, section 1.2, pp. 187-192 and section 2.2, pp. 193-197.

<sup>999</sup> Chapter 1, section 1.4, pp. 28-32.

<sup>1000</sup> Chapter 1, section 1.2, pp. 21-25 and section 1.4, pp. 29-32.

to its own class interests so it must lure to its cause groups outside its immediate class and, if necessary, appeal to their popular and democratic aspirations.<sup>1001</sup> New Order power arrangements operated in a culturally traditional environment of compromise and trade-off<sup>1002</sup> so constructing a successful counter-hegemony would not necessarily, as the Gramscian model insists, have required replacing the hegemonic world-view with a completely new and already formulated one. Because the opposition was too fragmented to enable the appropriate concession-making, processes that simply transformed and rearticulated existing ideological arrangements would have sufficed but the necessary elements were not in place.<sup>1003</sup>

In terms of the New Order ideological bloc, *Pancasila's* secular-nationalist tenets and their appropriateness in the context of a majority Muslim society, whose various leaderships were polarized around different theological stances that clashed with the secular-nationalist values and interests served by the bloc's representation of *Pancasila*, caused growing debate and concern among elements of the officer corps.<sup>1004</sup> Elements of modernist Islam were prepared to work with the President and the bloc through ICMI in return for socio-political influence<sup>1005</sup> but traditionalist Islam and elements within the military, together with an array of uncoordinated reformist social groups, demanded an alternative interpretation of *Pancasila* be renegotiated that would represent a new and valid socio-political and ideological basis for the Indonesian state. By so doing, in Gramscian terms, they challenged the solidarity and legitimacy of the bloc's ideological foundations and in seeking the basis for counter-hegemonic challenge in variants of *Pancasila*, they threatened to capture as their own the bloc's prime symbol of conformity.

In line with the Gramscian imperative of hegemonic refurbishment as necessary, President Suharto introduced a major shift in the New Order's ideological inclinations towards Islam from the early 1990s, believing that: (i) the relationship between the state and Islam needed updating, (ii) Islam represented a powerful electoral constituency that could balance his perception he was losing ABRI's support, and (iii) influential intellectual elements within Islamic modernism were

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<sup>1001</sup> Chapter 1, section 1.6, pp. 35-37.

<sup>1002</sup> Chapter 3, section 1.2, pp. 105-107 and section 1.3, pp. 107-110.

<sup>1003</sup> Chapter 1, section 1.6, p. 37.

<sup>1004</sup> Chapter 6, section 4, pp. 270-274.

<sup>1005</sup> Chapter 6, section 6, pp. 278-280.

displaying a willingness to accommodate the tenets of the *Pancasila*-ist state.<sup>1006</sup> But the prospect of any deeper Islamisation of the state was viewed by both traditional oppositional interest groups and elements within the military as threatening the explicit secular foundations of the *Pancasila* state that underpinned New Order ideological legitimacy. Moreover, a range of voices both inside and outside the power structure were offering alternative renderings of *Pancasila* they believed to be more appropriate to the changing socio-political and economic environment, further undermining the New Order bloc's ideological validity.<sup>1007</sup> Sustaining Gramscian hegemonic order requires that ideological legitimacy be constantly reaffirmed and the President's *Keterbukaan* call for more socio-political openness and discussion and ABRI's *Kewaspadaan* doctrinal reassertion demanding increased ideological vigilance, while contradictory in general terms of ideological cohesion, represented model examples of the coercion/consensus balance implicit in the Gramscian schema. But *Keterbukaan* proved inconsistent. While it provided for more open discussion in the more liberal environment of the early 1990s, debate as to *Pancasila* and the 1945 Indonesian Constitution's continued appropriateness as the unifying foundations of the state remained sacrosanct. ABRI's *Kewaspadaan* also reacted to new socio-political realities but warned that the potential for inappropriate ideas challenging *Pancasila* and the Constitution required constant vigilance and if necessary firm action on ABRI's part. The Gramscian model shows how hegemony must never be taken for granted and that sustaining socio-political authority requires the bloc constantly employing the symbols and devices of ideological persuasion but while both *Keterbukaan* and *Kewaspadaan* fulfilled that purpose by alternatively adapting, compromising, and coercing legitimizing consensus the results were incoherent and socio-politically divisive.

### 1.2.1 Summary

In summary, Gramsci's insights into hegemonic decay and obsolescence offer a compelling approach to interpreting the diverse range of forces opposing the New Order during the early 1990s and questioning its hegemonic legitimacy. Gramsci's model also shows how the impact of these diverse forces was too fragmented to form a coherent counter-hegemony. By 1995 the New Order

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<sup>1006</sup> Chapter 6, section 2, pp. 256-258 and section 2.2, pp. 264-266

<sup>1007</sup> Chapter 6, section 4, pp. 270-274.



appeared to have weathered most of the challenges and prior to the sudden and dramatic economic crisis of 1997 that catalyzed calls for *reformasi dan demokrasi* into mass popular mobilization, New Order ideological legitimacy was merely showing signs of hegemonic decay and obsolescence. By the middle of 1997 the New Order historic bloc was faced with triple organic crises of economic, political and ideological hegemonic legitimacy. By realigning elite alliance interests during the early 1990s the bloc had been attempting to respond to the era's changing economic realities but growing opposition to ABRI's intrusive role in the nation's life and the endemic corruption and *rentier* culture that had come to define New Order economic arrangements had profoundly weakened the bloc's ability to resist the effects of the regional economic and financial crisis. Failure to legitimize an acceptable meaning of *Pancasila demokrasi* in the face of conflicting interpretations and demands for *reformasi dan demokrasi* in turn weakened the political bloc and contributed to the crisis of regime transition that led to the bloc's disintegration with Suharto's resignation. The regime was reluctant to react to the changing socio-political realities with direct domination by force and relied upon a convergence of organic and traditional ideological responses to the new realities. But the responses from Islam's various intellectual streams proved contradictory, the fragmented military was ideologically impotent, and the alliance of class interests that had legitimized the Suharto bloc's moral and intellectual leadership for some three decades came apart and deserted him.

The Gramscian concepts of hegemonic decay, obsolescence and counter-hegemony provide a highly compelling and fruitful three-faceted ideological methodology for explaining New Order collapse. First, Gramsci's insights into hegemonic decay and obsolescence explained the failure of the of the New Order bloc to satisfy the Gramscian prerogative of sustaining legitimacy comprehensively across each of its integral economic, political and ideological components. Second, Gramsci's model provided a coherent means of explaining, on the one hand, how the bloc's failure to respond to crisis and hegemonic challenge offered the potential for cohesive counter-hegemony to emerge and, on the other, why a coherent counter-hegemony failed to coalesce around an alternative rendering of ideological legitimacy.

***1.3 Thesis Proposition 3: That the Suharto New Order's representation of Pancasila as the 'ideological pillar' of the Indonesian state, to a large degree, fulfils the function of a Gramscian discourse of ideological legitimacy.***

Gramsci's hegemonic order - his historic bloc - existed when a fusion of mutually inclusive economic, political and ideological temporal arrangements had been drawn together by a distinctive representation of ideology to legitimize a ruling order's socio-political objectives.<sup>1008</sup> The legitimacy of the subsequent hegemonic arrangements derived from the top-down processes involved not only informing all aspects of national life but also acknowledged as universally valid by the general population.<sup>1009</sup> The third proposition of this thesis is to assess the validity of the Suharto New Order's representation of the official ideology of the New Order state, *Pancasila* and its derivatives, in these terms as Gramscian discourse of ideological legitimacy.

ABRI, the New Order's most potent socio-political resource, carried the prime responsibility for realizing the coercive aspects of the regime's socio-political objectives and the *Pancasila* derivative *dwi fungsi*, institutionalized as military doctrine, legitimized deep regime penetration into every aspect of national life.<sup>1010</sup> ABRI's professed legitimacy through loyalty to both the Indonesian Constitution and sworn dedication to the state ideology provided the New Order a mass panacea for the potential ills of destabilising cultural and ethnic diversity. Because the sacred soldiers' oath demanded allegiance to ABRI's role as a strict defender of the fundamental institutions of the state, the military's position within the bloc was formally recognized. Their deployment through *Pancasila* and *dwi fungsi* provided a nation-building artifice giving ideological articulation to the New Order's moral and intellectual right to rule. Moreover, the regime's exclusionary representation of *Pancasila* as the state's ideological and philosophical basis (*dasa negara*) and its enabling function as an intellectual and moral *leitmotif* of socio-political exclusion and control guaranteed that ABRI could never be apolitical enabling its coercive intrusive powers to ensure that participatory parliamentary institutions offered

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<sup>1008</sup> Chapter 1, section 1.5, p. 33.

<sup>1009</sup> Chapter 1, section 1.4, pp. 28-32 and section 1.5, pp. 32-34.

<sup>1010</sup> Chapter 2, section 3.2.1, pp. 78-79 and Chapter 5, section 3.1.1, pp. 199-203.

minimal threat to regime authority. From its inception *Pancasila* carried the clear function of providing an enabling discourse that legitimized ABRI's self-appointed roles as both defenders of a non-communist, non-Islamic, united, secular-nationalist, *Pancasila*-ist Indonesian state and the ruling order's socio-political objectives.

To realize the consensual aspects of hegemonic order, a second *Pancasila* derivative *Pancasila demokrasi* provided a legitimizing discourse that formalized New Order socio-political objectives into an electoral arrangement by placing the regime's political organ GOLKAR in a commanding parliamentary position that de-legitimized potential mass-based political opposition.<sup>1011</sup> To ensure *politik-Islam* remained on the political peripheries Muslim political aspirations were channelled through the carefully scrutinized PPP until the 1990s when the President granted an accommodative section within modernist Islam access to the power framework through a new Muslim modernist intellectual association ICMI.<sup>1012</sup> The final step in institutionalizing ideological conformity and realizing the New Order's socio-political objective of a secular state came with the 1983 *azas tunggal* initiative that called upon all mass organizations to acknowledge *Pancasila* as their principle *raison d'être*.<sup>1013</sup>

As the ideological pillar of the New Order's socio-political arrangement of national life, *Pancasila* provided a highly useful and appropriate culturally-based enabling discourse, but there can be antagonistic dimensions to appropriating ideology as a tool for manipulating mass consciousness.<sup>1014</sup> Harnessed to capture the human imagination and compel social action, ideology can be a powerful instrument but can also be presented to institutionalize systemic falsehoods that advance the self-interested agendas of powerful and malevolent forces. When closely identified with culture, ideology can also evoke powerful symbolism and the Suharto New Order proved adept at crafting mass consciousness into acceptance of regime legitimacy through a representation of *Pancasila* that drew upon persuasive cultural origins. An organic intellectualization of ideology was able to translate effectively into a cultural ideal that legitimized hegemonic leadership broadly across all spheres of the nation's life but Marx's observation – one of many embraced by Gramsci – that socio-political consciousness reflects primarily the ideas of the ruling class questions both the

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<sup>1011</sup> Chapter 5, section 2.2, pp. 194-197.

<sup>1012</sup> Chapter 5, section 3.2.5, pp. 221-224 and Chapter 6, section 2.2, pp. 264-266.

<sup>1013</sup> Chapter 6, section 1.3.4, pp. 254-256.

<sup>1014</sup> Chapter 1, section 1.2, pp. 22-25.

processes the New Order employed to legitimize its hegemony as well as the general utility of the Gramscian model.

There are difficulties in trying to quantify the level of hegemonic consensus assimilated by the masses through the New Order bloc's representation of ideology. The idea of consent in terms of the agreement of the ruled suggests that governments have the general right to exercise authority over society but in the modern era the notion has come to indicate more the manner in which citizens are obliged to give their consent to the way they are organized socio-politically. Consent tends to indicate more procedural correctness through a broad range of democratic institutions that draw citizens into conforming to what are often imposed political processes. Granted the high degree of psychological acceptance implicit in the socio-political arrangements imposed upon the nation by the New Order's organic power-brokers, and notwithstanding the actual liberality of the institutions and practices employed through *Pancasila demokrasi*, hegemonic order constructed round Gramsci's predominantly consensual schema might still be considered authoritarian. Although New Order hegemony varied in form and degree of conformity and consensus, social and political behaviour might merely have derived from a fear of the consequences of non-conformity. Conformity might simply have been a habitual way of achieving goals in which case consensual participation or even unquestioning adherence became an established form of national participation arising out of pure pragmatism or because it was simply inconvenient not to comply. There may even have been no realistic or sensible socio-political alternative means readily available to pursue normal individual goals of material acquisition, prestige, or power. Yet Gramscian consensus does remain distinctive in that it alone implies conscious socio-political attachment to core fundamentals and that the idea of moral and intellectual/ideological legitimacy remains firmly rooted in cultural legitimacy. Quantifying conscious attachment therefore poses the main difficulty with both the Gramscian model and the New Order behaviour model but does not reflect a serious shortcoming into the practical use of Gramsci's general insights into hegemonic legitimacy.

The Gramscian model of ideological legitimacy serves the Indonesian context well and demonstrating the bloc's representation of *Pancasila* as hegemonic discourse provided the Suharto New Order with considerable moral and intellectual credibility. Yet notwithstanding some three decades of relative socio-political

stability, an average of 7% GDP increase between 1974 and 1997 that contributed to economic and social well being for the majority of the people,<sup>1015</sup> the reality of New Order behaviour fell well short of the Gramscian ideal. Individual rights were limited in favour of the collective interest, belief in one God (but not exclusively Islam's) was firmly prescribed, and although an egalitarian economic system was propounded, that was intended to benefit all of society progressive inequity shared the benefits and advantages of social progress and economic development. But these results were not entirely the fault of the model, rather the consequences of the New Order example not meeting the Gramscian imperatives of ongoing assimilation of broader legitimate interests.<sup>1016</sup> The Gramscian model nonetheless proved robust in its usefulness in clarifying the consequences of a state-driven representation of ideology coming under growing disputation from a diverse range of subordinate sectarian interests. Until the early 1990s the New Order bloc matched the Gramscian model by replicating its essential legitimizing coercive/consensual balancing in its assimilation of non-negotiable subordinate views and interests into its moral and intellectual constituency.<sup>1017</sup> But while *Pancasila* offered an ideal unifying formula for avoiding mass socio-political mobilization around sectarian issues, by polarizing the majority Muslim masses on the powerless peripheries of socio-political influence, the Suharto bloc's representation of its ideological pillar during the 1990s denied the vital Gramscian imperative of necessary subordinate ideological assimilation of non-negotiable values and resulted in a progressive decline in bloc legitimacy that degenerated into hegemonic obsolescence and decay.

Gramsci intended his model of hegemonic order to be a means of reconciling disparate socio-political issues into a consensual arrangement by imposing a dominant group's world view upon society's subordinate classes and groups, taking in when necessary some of their non-negotiable values and demands but nevertheless giving the impression that the world-view accepted, represented broad consensus.<sup>1018</sup> Such an approach was logical and viable if the newly-empowered Suharto New Order was to institutionalize the national stability, unity and consensus, necessary for economic and social development as a foundation for legitimacy built upon socio-political and economic betterment. A plurality of societal interests threatened

<sup>1015</sup> Chapter 4, section 1.2, p. 140 and section 4, pp. 169-172.

<sup>1016</sup> Chapter 1, section 1.6, pp. 35-37.

<sup>1017</sup> Chapter 1, section 1.4, pp. 30-32.

<sup>1018</sup> Chapter 1, section 1.5, pp. 32-35.

destabilizing socio-political differences so reproducing elite consensus legitimately across all levels of society offered the only means of attaining social cohesion and socio-political agendas. Positions of power can only be embedded and built upon when socio-political differences are ameliorated through negotiated social contracts that require national elites and subordinate interests remaining tightly integrated through common interest. The alternative to contrived arrangements of this sort would likely be regime breakdown and when state elites become divided over socio-political and economic direction, anti-democratic and extremist forces are more likely to take control.

Essential to contrasting the broad-based popular legitimacy implicit in the Gramscian with the Indonesian context is determining whether the Suharto historic bloc represented mere supremacist rather than hegemonic consent and whether there generally existed mass legitimizing consensus. New Order leadership reflected, *prima facie*, a collective view that legitimately represented socio-political aspirations in comparison to the post-independence chaos of the Sukarno era. Open dissent to the New Order was virtually absent by the early 1980s, and it was not the case that Indonesian indigenous socio-political culture had historically exhibited a strong tradition of individual rights of any kind because the interests of individuals had traditionally been subordinated to those of family or community.<sup>1019</sup> But if it were to unify Indonesia's diverse society, a binding glue of ideological and moral legitimacy such as *Pancasila* needed to be more than a mere pragmatic regime arrangement of symbols elaborated as unifying practices and institutions to channel and contain the demands of potentially destabilizing social diversity. Gramsci was aware that the dualities of coercion and consent could become weapons by which a single-party state might simply mould the people to its own ideology and that the level of consensus crafted might merely be the minimum necessary to compel compliance.

New Order hegemony did evolve beyond pure coercion. *Pancasila* persuaded, exchanged and co-opted (all legitimate instruments of power in democratic systems) and legitimized New Order rule by underwriting sufficient stability to enable broad, albeit approved, socio-political participation within an authoritarian framework. The leadership empowered an organic techno-bureaucracy with the legitimizing imperatives of the *Pancasila*-ist economy to select and adapt economic

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<sup>1019</sup> Chapter 3, section 1.3, pp. 107-110.

policies that provided three decades of successful economic development that to a great extent enhanced regime legitimacy. Socio-political and economic development was patently inequitable but Suharto's New Order forged a high level of national support and a minimum of resistance. The Gramscian model confirms the Suharto New Order as more than a mere self-perpetuating patronage system that only benefited those prepared to comply and marginalized those who opposed its leadership. By exclusively representing the state ideology *Pancasila* and its derivatives over some twenty-five years the New Order historic bloc clearly exhibited and sustained sufficient of the national popular legitimacy implicit in the Gramscian model of hegemonic order to ameliorate most socio-political challenge. By ruling out extreme options and calling for religious tolerance and social equity *Pancasila*'s five pillars were more than a vague yet admirable means of rationalizing a plural society out of potential socio-political chaos and the New Order was able to elevate the doctrine's tenets to the status of an ideology that offered a middle-of-the-road model for societal consensus and unity. As an alternative to social and political divisions of virtually unmanageable proportions it is difficult to perceive any path other than the regime's appropriation of an ideology such as *Pancasila* to legitimize its socio-political objectives of unity, stability, and social and economic development. Clear parallels are thus apparent between the New Order's ongoing representation of *Pancasila* as a 'binding glue' of hegemonic legitimacy and Gramsci's schema by which ideology is represented to legitimize strong moral and intellectual leadership. Treating the New Order's representation of the state ideology *Pancasila* and its derivatives as a discourse of hegemonic legitimacy is also seen to offer previously lacking ideological and cultural explanatory clarity to the rise and decline of the Suharto New Order.

***1.4 Thesis Proposition 4: That the Gramscian model of hegemonic order, with its emphasis on 'ideology and culture' substantially explains Indonesia during the post-Suharto era in the context of the global spread of liberal democratic ideals and resurgent socio-political Islam.***

Finally, evaluating the Gramscian schema of hegemonic order in the Indonesian context would be incomplete without considering its usefulness in terms of the model's emphasis on ideology and cultural tradition towards both a better

understanding of Indonesia's socio-political future in the post-Suharto era, the likelihood of more democratic participation and contestation and the more general issue of socio-political legitimacy based on a sustained level of authoritarian domination in the contemporary era of Islamic socio-political resurgence. This thesis has been based on a representation of the Suharto New Order as a steeply ascending pyramid of power dominated by a strong Executive at its peak and a politically active military spread above and within a decision-making techno-bureaucratic process directing a pattern of hegemonic state/society relationships legitimized by the state balancing co-optation and responsiveness with repression and coercion.<sup>1020</sup> What is specific about this Gramscian perspective of the arrangement is that in legitimizing the socio-political agendas of their hegemonic relationship with national life, the New Order represented an exclusive, culturally-specific, rendering of the state ideology *Pancasila*.<sup>1021</sup> Valuable insights into understanding post-Suharto socio-politics in the context of the contemporary global spread of liberal democratic ideas paralleling an antagonistic resurgent socio-political Islam can be drawn from two specific aspects of the Gramscian schema.

The first aspect is that the model facilitates analysis into how effectively a rendering of ideology was disseminated into the Indonesian national consciousness to promote sufficient national unity and socio-political stability to legitimize the post-Suharto ruling order's socio-political agendas. The socio-political order arrived at thus will be deemed legitimate if society's subordinate classes can be found to have accepted the state's moral, political and cultural values as legitimately representing the nation's best interests.<sup>1022</sup> The second aspect relates to the Gramscian legitimizing imperative of balanced coercion/consensus without the former dominating and whether in the post-Suharto context a Gramscian form of hegemonic order or simply authoritarian rule could have evolved. Coercion balanced with consent (without the former dominating) is the very essence of Gramscian hegemony, but Gramsci is also clear that physical force can be used against a dissident minority so long as the majority agrees that its use is in the national interests.<sup>1023</sup> This issue is vital when considering whether the balance of physical force and consensus is appropriate to a Gramscian model or whether domination is mere authoritarianism. The contribution of

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<sup>1020</sup> Chapter 5, section 1.2, pp. 188-191.

<sup>1021</sup> Chapter 1, section 1.5, p. 33.

<sup>1022</sup> Chapter 1, section 1.4, p. 30.

<sup>1023</sup> Chapter 1, section 1.4, p. 30.



the model's emphasis on ideology to better understand socio-politics in post-Suharto Indonesia depends, therefore, on whether the solidarity negotiated between the new elite arrangements and subordinate groups<sup>1024</sup> resulted from the general population accepting the new ruling order's ideological belief systems and values as universally valid and representing the nation's best interests overall.<sup>1025</sup>

Applying the Gramscian model of hegemonic order that strongly stresses the roles of ideology and culture in legitimizing socio-political and economic agendas has offered robust and valuable insights into the rise and fall of Indonesia's Suharto New Order. But the schema also offers a highly adaptable tool with which to evaluate solid arguments for the legitimacy of authoritarian rule in the contemporary world of competing interests among ethnically pluralist societies, and the particular context of the impact of a contemporary global resurgence of socio-political Islam upon Indonesia, the world's largest Islamic society. In terms of contrasting the Suharto New Order with Gramscian hegemonic order that incorporates rule through balanced coercion and consensus based on a universally accepted state ideology such as *Pancasila*, the critical issue is the appropriate balance in the essential duality that represents Gramscian hegemonic legitimacy. Notwithstanding Gramsci's insistence that coercive techniques not dominate consensual processes, assessing an appropriate balance poses the major difficulty with the Gramscian model yet the modern state's general inclination towards oppression and the use of force suggests that coercive processes can be substantial and still comply with the model's methodology of direct and positive moral and intellectual leadership, Gramsci's *direzione*.<sup>1026</sup> Testing the Suharto New Order as a contemporary capitalist democracy against Gramsci's insights provides no definitive solution to the problem of quantifying the duality's appropriate mix, but the exercise offers three strong arguments in favour of the judicious level of domination, or certainly uncompromisingly firm leadership, implicit to legitimate Gramscian hegemonic order.

First, New Order hegemony involved more than simple coercion and oppression. The definitive consensual aspects of New Order hegemony, persuasion, co-optation and even corruption, are all valid components of material exchange and typical conventions of socio-political and economic power in the contemporary Asian

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<sup>1024</sup> Chapter 1, section 1.2, p. 22

<sup>1025</sup> Chapter 1, section 1.4, p. 28.

<sup>1026</sup> For a discussion on Italian *direzione* as opposed to simple 'direction' see Chapter 1, section 1.3, p. 27.

versions of a democratic polity. During the first three decades under the New Order, in terms of overall reduced poverty levels and increased education, most Indonesians benefited from a socio-politically assertive *Pancasila demokrasi* that clearly prescribed the permitted limits of behaviour and those issues requiring firm regulation if necessary national cohesion and stability was to be achieved.

Second, the relatively participatory form of democracy attempted in Indonesia under Sukarno during the 1950s was an unmitigated failure and many Indonesians remembered how ethnic conflict around religious and regional/cultural issues threatened national chaos and socio-political disaster during the first two decades of independence. Representative democracy did little to resolve the problems arising out of ethnic and cultural diversity at that time so with the socio-political environment of the late-1980s and early 1990s highlighted by a dynamic Islamic socio-political resurgence that emphasised antagonistic religious and ethnic differences, there was little to suggest that a more participatory form of democracy would be beneficial to the national interest.

The third argument in favour of the degree of domination implicit in Suhartoism as hegemonic order is that the New Order dramatically transformed Indonesian society with pragmatic socio-political processes that achieved the desired social good of ensuring sufficient stability and unity to enable national development. A cohesive counter-hegemony legitimised by a coherent alternative rendering of *Pancasila* and its derivatives failed to surface to coalesce into a new hegemony during the increasingly antagonistic socio-political and economic environment of the 1990s. Indonesia merely entered into a period of growing economic crisis and problematic political transition to a chorus of demands for more liberal democracy and reform articulated as *reformasi dan demokrasi* that represented in Gramscian terms decaying hegemony. Modernisation theory argues that capitalist economic development can stimulate profound cultural and socio-political change, encourage more social pluralism and thus the prospect of more democratic contestation and participation, so notwithstanding three decades of Suhartoist hegemonic domination, the foundations may have been laid to sustain and ultimately institutionalise the *reformasi dan demokrasi* that brought the New Order to an end. The New Order's firm adherence to *Pancasila's* secular-nationalist tenets also went a long way towards contributing to the more uniform and pious Islamic socio-political culture that evolved during the last decade on Suharto's leadership. That the vast majority of Indonesian Muslims have

shown during the post-Suharto era a disinclination towards an Islamic state or theocracy suggests that the ideological legitimizing processes of secular-nationalism that underwrote New Order hegemony laid the foundation for a more cohesive and uniform society than might have been expected when Suharto departed.

It remains to be seen whether the Suharto New Order's *Pancasila*-ist arrangement of Indonesian life can outlive its creator or whether it disappeared with him. The answer, and critical in terms of ongoing socio-political stability in Indonesia, depends upon how effectively the New Order institutionalized *Pancasila*'s unifying tenets during their 32 years of domination and whether past processes of organization and procedure were adaptable and coherent enough in organizing institutional value and stability that will survive both the economic collapse and regime transition. The New Order power pyramid was clearly damaged by these developments but it was the alliance of establishment interests underwriting bloc legitimacy and cohesion deserting the President following a period of progressive hegemonic decay and obsolescence that led to the ultimate failure of New Order hegemony. The potent office of the Presidency has been severely weakened since Suharto departed and, although still politically active, ABRI have been publicly discredited by media revelations of their past human rights indiscretions. Yet the formerly organic decision-making processes centered about the bureaucracy and its accompanying pattern of state/society relations that combined co-optation and responsiveness with endemic corruption that provided the ruling elites' primary sources of material acquisition, remain in place. Although weakened by new economic realities, the demands of international institutions such as the IMF and newly empowered economic reformists, the former elite-driven processes of the Suharto era remain in essence unchanged. Time will tell whether the new socio-political arrangement will coalesce around a new re-constituted typology of the Gramscian hegemonic model based on a re-negotiated rendering of ideology thereby providing a new unifying and consensual ideological legitimacy. A re-constituted representation of *Pancasila* will suffice, either one imbued with re-negotiated secular-nationalist tenets, or one informed by non-negotiable Islamic values and interests more broadly representative of the faith's diverse intellectual streams and degrees of piety and practice.

## **2. *Summary***

Using Gramsci's hegemonic perspective, with its emphasis on ideology and culture, to test the ideological legitimacy of the Suharto New Order's establishment and subsequent collapse, has provided valuable clarity to the largely neglected subject of the relationship between ideology/culture and socio-political legitimacy within Indonesia's diverse ethnically pluralist society. The Gramscian approach has enabled a clear contrast between two possible modes of socio-political control in the context of the Suharto New Order: domination as pure physical coercion and hegemonic direction as ideological power derived through consensus and political support. Gramsci's socio-politics, focusing on processes of organic intellectual discourse employing ideology in crafting mass consensus to the moral and intellectual legitimacy of hegemonic order, also provided an explanatory model highly attuned to Indonesia in the contemporary age of resurgent socio-political Islam paralleling the questionable utility of the liberal democratic ideas spreading across the globe since the end of the Cold War. Testing Gramsci's hegemonic theories against the rise and fall of the Suharto New Order bloc showed that while the regime validated Gramscian hegemonic imperatives of ideological consensus to legitimize socio-political agendas, the bloc ultimately failed through progressive hegemonic obsolescence and decay notwithstanding belated efforts during the regime's final decade to assimilate broader interests into its ideological constituency. Gramsci's insights also provided originality in that as well as demonstrating how hegemonic obsolescence and decay occurred across the entire spectrum of New Order domination, his methodology enabled isolating each of the bloc's mutually inclusive economic, political and ideological components for individual analysis.

Progressive New Order hegemonic decay, obsolescence and ultimately regime collapse occurred because organic moral and intellectual inadequacies during the 1990s failed to resolve key Gramscian imperatives: sustaining hegemony required constantly adjusting and refurbishing the ideological legitimacy of both prime class interests and those of the subordinate masses in response to changing socio-political and economic realities. The Gramscian model requires that ideological legitimacy adjusts to demands from below as well as those of parallel elite alliance interests and when ideological influences and values are appropriated and assimilated from below, the ruling arrangement must take particular care to absorb those issues potentially

problematic in maintaining prime bloc socio-political and economic agendas. Essentially, remaining hegemonic required the New Order convincing the general population that the cultural and belief systems the regime had articulated throughout society for some decades remained, through their flexibility, morally and intellectually valid. By failing to comply with the imperatives of consensually derived hegemonic refurbishment when opposition arose and crisis occurred the New Order demonstrated the inadequacies in performance of which Gramsci clearly warned. As a consequence the New Order succumbed to an array of contradictory renderings from both organic and traditional sources that challenged the ideological legitimacy the regime had sustained over some three decades around its exclusive rendering of *Pancasila* as the official state ideology.

This thesis has shown that the Suharto New Order displayed all of the key characteristics of the Gramscian model of hegemonic order and in terms of the regime collapse the Gramscian imperative of sustaining consensual ideological dominance also convincingly explains the New Order's failure. The model has provided a highly appropriate means of explaining contemporary socio-politics in the culturally and ethnically dynamic society of post-Suharto Indonesia and provided clarity in interpreting the ideological and cultural challenges similar societies are likely to face as well as offering a versatile methodology with which to analyse the potential for societal instability. But are there limitations to the model? Gramsci's account of hegemony has been criticized as a theory of politics appropriate to a fully developed capitalist state because his theories evolved out of his analysis of the peripheral, 'developing', capitalism experienced by Italy during the 1920s and 1930s undergoing a period of 'organic crisis'. But the economy the Suharto New Order inherited, the product of centuries of exploitive Dutch colonialism, independence and economic bankruptcy under President Sukarno's administration, could hardly be described as that of a 'developed' capitalist state. Moreover, from the late 1980s New Order Indonesia also entered a period that continued until the Asian economic crisis of 1997 and regime collapse in 1998 and can well be described as Gramscian 'organic crisis'.

Gramsci's concept of 'hegemony' was not formulated in a single, neat statement but developed in different ways across a decade of thought connected by a range of phenomena specific to the socio-political and economic conditions of early

twentieth century Southern Europe. When working with Gramsci's concept of hegemony it is necessary to use it first and foremost in the general sense that he intended the concept to underpin the organization of mass popular consent. Gramsci's model of socio-politics is also difficult to interpret and different interpretations can lead to contradictions. Nonetheless, although Gramsci's approach to social politics and his notions of hegemonic order were developed during a particular historic period, as discussed earlier,<sup>1027</sup> economic development in Gramsci's Italy and Suharto's Indonesia were both based on state-control over monopoly and investment capital and socio-political stability arrived at through pragmatic firm leadership. Gramsci's approach is accused of hinting strongly at authoritarianism but in such terms there are close parallels between both *fascist* Italy of Gramsci's day and Suharto's New Order Indonesia where culture and ideology dominated the foreground of socio-political contestation. Rather than relying upon a stable socio-political and economic environment existing, the model's value is in its robustness in explaining how socio-political contestation based on a hegemonic rendering of culture and ideology is able to provide socio-political stability in a potentially destabilizing mass environment.

The Gramscian model's major shortcoming is its failure to consider the influence firm leadership based upon charismatic, individualistic, executive management - unchallenged in authority - might have upon hegemonic socio-political and economic arrangements. Gramsci's analysis of hegemonic order paid little heed to individual leadership, focusing instead on the strategies of a hegemonic alliance of groups and classes united through the endeavours of a dominant elite committed to the ideological/cultural organization of mass consent. The 'modern Prince' that Gramsci derived from his study of Machiavelli did not represent charismatic, dynamic, individual leadership but the careful, calculated approach to state-building that he believed hegemonic order needed to adopt and could only be achieved through the efforts of a mass-based political movement. Gramsci had little regard for a single charismatic individual forging the necessary collective will upon which hegemony could be constructed and believed that in modern societies social movements could only be organized and disciplined for the purpose of political direction through political parties and pragmatic alliances. Gramsci's 'modern prince' is hegemonic

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<sup>1027</sup> Introduction, section 1, pp. 3-4.

order in an organic collective entirety so his model makes little sense of individualistic leadership. Thus the model can only view Suharto's swing towards Islam during the early 1990s, when he initiated the decision to provide previously proscribed *politika-Islam* with increased socio-political influence and more space to debate contemporary issues, as an historic bloc making essential pragmatic hegemonic adjustments in the face of changing socio-political realities and the need to assimilate a potential ideological challenge.

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